

Exhibit 76

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
) Case No.
v.) 20-Civ-10832 (AT) (SN)
)
RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)
)
Defendants.)
_____)

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER

VIDEOTAPED DEPOSITION OF
BRADLEY KENT GARLINGHOUSE, JR.
Monday, September 20, 2021

Reported by:
BRIDGET LOMBARDOZZI,
CSR, RMR, CRR, CLR
Job No. 210920BLO

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SECURITIES AND EXCHANGE)
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RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)
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Defendants.)
_____)

Videotaped deposition of BRADLEY KENT GARLINGHOUSE, JR. taken on behalf of Plaintiff, held at the offices of Cleary Gottlieb Steen & Hamilton LLP, 1 Liberty Plaza, New York, New York, commencing at 8:20 a.m. and ending at 8:01 p.m., on Monday, September 20, 2021, before Bridget Lombardozzi, CCR, RMR, CRR, CLR, and a Notary Public of the States of New York and New Jersey, pursuant to notice.

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BY MR. TENREIRO

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8:20 a.m.

September 20, 2021

- - -

THE VIDEOGRAPHER: We're on the record. The time is approximately 8:20 a.m. Today's date is Monday, September 20th, 2021. This is the video deposition of Bradley Kent Garlinghouse, Jr., in the matter of the Securities and Exchange Commission versus Ripple Labs Inc., Bradley Garlinghouse, and Christian Larsen. The index number is 20-Civ-10832 in the United States District Court, Southern District of New York.

My name is David Shereck, certified legal videographer, with Shereck Video in association with Gradillas Court Reporting of Glendale, California. We're located today at the office of Cleary Gottlieb, located at 1 Liberty Plaza in New York. And all attorneys present will appear on the stenographic record. And the court reporter is Bridget Lombardozzi. Thank

08:19:32 1 you.

2 And will you please swear in the
3 witness.

4 B R A D L E Y K E N T

08:19:37 5 G A R L I N G H O U S E, Jr., having been
6 duly sworn, was examined and testified as
7 follows:

8 THE REPORTER: Thank you.

9 You may proceed.

08:19:48 10 MR. TENREIRO: Thank you.

11 Stipulations, Matt?

12 MR. SOLOMON: Yes. Just that any
13 objection by any counsel will be deemed an
14 objection by all counsel if that's
08:19:56 15 agreeable to the SEC.

16 MR. TENREIRO: Yes.

17 MR. HORTON: Thank you.

18 MR. TENREIRO: And we're going
19 to --

08:20:01 20 MR. SOLOMON: And confidentiality
21 as well.

22 MR. TENREIRO: Sure. We're going
23 to go nine hours today as we discussed. I
24 think that's also stipulated.

08:20:09 25

08:20:09 1 DIRECT-EXAMINATION

2 BY MR. TENREIRO:

3 Q. Good morning. Could you please state
4 your name for the record.

08:20:12 5 A. Good morning. Brad Garlinghouse.

6 Q. Good morning, Mr. Garlinghouse. I'm
7 Jorge Tenreiro for the SEC. I'll be asking
8 questions on behalf of the plaintiff today.

9 Mr. Garlinghouse, you gave testimony to
08:20:23 10 the SEC in an investigation that led up to this
11 case in September of 2020, is that right?

12 A. I believe the date's correct, yeah.

13 Q. And you were under oath for that
14 testimony, is that right?

08:20:35 15 A. I was.

16 Q. And did you provide truthful answers to
17 the SEC during your testimony on that date?

18 A. I did.

19 Q. Since that -- since that testimony, have
08:20:44 20 you given under -- other under oath testimony
21 other than in the [REDACTED] matter?

22 A. Not that I can recall, no.

23 Q. Okay. And other than [REDACTED] and the
24 SEC investigation, have you given other testimony
08:20:57 25 under oath before?

08:21:00 1 A. I don't recall. You're asking in my
2 whole lifetime?

3 Q. Sure. Yes.

4 A. Not that I can recall.

08:21:08 5 Q. Okay. The important thing to keep in
6 mind today, I think as you've done this before,
7 other than to try to speak slowly and not talk
8 over each other, is that I'm never asking you to
9 tell me the substance of any advice you got from
08:21:21 10 counsel. So let's try to stay away from that.

11 Do you understand?

12 A. I do.

13 Q. Is there any reason why you cannot
14 testify truthfully or accurately today?

08:21:29 15 A. No.

16 Q. Did you take steps to prepare for
17 today's deposition?

18 A. I did.

19 Q. And what steps did you take, without
08:21:38 20 discussing the substance of conversations with
21 counsel?

22 A. I met with counsel to prepare for today.

23 Q. How many times did you meet?

24 A. I don't know exactly. As you may
08:21:53 25 recall, this -- the date of this event moved a few

08:21:56 1 times. And so we met a couple times to prepare
2 each time that it got moved.

3 So, you know, more than five, less than
4 ten.

08:22:06 5 Q. How many hours would you approximate you
6 met?

7 A. Twenty hours.

8 Q. Did you review documents?

9 A. Yes.

08:22:16 10 Q. Did any of the documents you reviewed
11 refresh your recollection as to the matters
12 related to this case?

13 A. Not specifically, no.

14 Q. Who was present at the preparation
08:22:26 15 sessions, generally, other than your counsel?

16 A. Other than my counsel?

17 Q. Yes.

18 A. No one.

19 Q. Was counsel for Ripple present?

08:22:35 20 A. Yes. Sorry. I -- I should have been
21 more precise. When you said my counsel, I
22 included Ripple's counsel within that construct.

23 Q. Okay. What about counsel for
24 Mr. Larsen?

08:22:43 25 A. No.

08:22:44 1 Q. Did you discuss your testimony with
2 Mr. Larsen?

3 A. No.

4 Q. Did you discuss his testimony with him?

08:22:50 5 A. Actually, one clarification. I didn't
6 discuss my testimony with him because I haven't
7 given the testimony yet. I did not discuss his
8 testimony with -- his testimony, we didn't discuss
9 that either.

08:23:00 10 Q. Did you discuss your preparation for
11 your testimony with Mr. Garling -- with
12 Mr. Larsen?

13 A. Other than acknowledging that I was
14 doing preparation because I would be out-of-pocket
08:23:08 15 for some segment of time, no.

16 Q. Okay. And did you discuss any other
17 witness's testimony with that witness?

18 A. No.

19 Q. Okay. Do you own any XRP today?

08:23:22 20 A. Yes.

21 Q. How much? How many units?

22 A. I have -- that's a direct question. I'm
23 trying to parse it a little bit. In terms of my
24 direct ownership that I have custody myself? Are
08:23:40 25 you asking what I have custody of myself or are

08:23:44 1 you asking --

2 Q. I'm asking how much XRP you own.

3 A. Well, so, by virtue of my ownership in
4 Ripple, the company, I have indirect ownership of,
08:24:04 5 you know, say, three and a half billion units of
6 XRP as a -- as a rough estimate.

7 Q. Okay. And by -- and what about other
8 holdings of XRP that are not by virtue of your
9 ownership in Ripple, the company?

08:24:17 10 A. I hold some XRP at Coinbase. I don't
11 know exactly how much. Maybe [REDACTED]
12 [REDACTED] And I hold XRP in a couple of
13 cold wallets which cumulatively probably
14 represents [REDACTED] units of XRP.

08:24:46 15 Q. Any other units of XRP that you might
16 own indirectly through an organization, an LLC, a
17 family trust, anything like that?

18 MR. SOLOMON: Objection to form.

19 A. Not that I can recall.

08:25:00 20 Q. Okay. And other than XRP that you might
21 own indirectly through your ownership in Ripple,
22 have you ever sold any of your XRP?

23 A. Yes.

24 Q. How? How did you sell it?

08:25:12 25 A. I have sold XRP through Bitstamp and I

08:25:19 1 have sold XRP through a -- an entity called GSR.

2 Q. On what platforms did GSR sell the XRP
3 for you?

4 A. I can't recall.

08:25:35 5 Q. Are there records that reflect that
6 information?

7 A. Yes.

8 Q. Where are those records?

9 A. In my e-mail I have those records. I'd
08:25:45 10 imagine GSR has it. I -- I don't think I can
11 provide an exhaustive list of where those records
12 are.

13 Q. When is the last time you sold XRP?
14 Again, I'm talking about yours, not the indirectly
08:25:56 15 owned.

16 A. [REDACTED] is my recollection.

17 Q. Do you have any present plans to sell
18 your XRP?

19 A. No, I don't.

08:26:05 20 Q. Okay. And why did you sell XRP in

21 [REDACTED]

22 A. I had a trading plan that I -- that -- a
23 company-approved trading plan of XRP. I vested
24 some XRP as part of an XRP grant from the company,
08:26:25 25 and as part of that trading plan, I sold XRP.

08:26:31 1 Q. But why did you sell it? For what
2 purpose?

3 A. No particular purpose.

4 Q. Who did you sell it to, the one -- the
08:26:37 5 XRP you sold in [REDACTED]?

6 A. I don't know.

7 Q. How much did you sell it for?

8 A. I can't recall specifically. I mean,
9 I -- I think in [REDACTED] my recollection is
08:26:55 10 XR -- I would be, not speculating, but guessing
11 where the price of XRP was [REDACTED], which I
12 can't recall exactly.

13 Q. Can you recall the number of units you
14 sold in [REDACTED]?

08:27:09 15 A. I -- I would guess it's between [REDACTED]
16 [REDACTED] units.

17 Q. And why have you not sold since?

18 MR. CERESNEY: Objection to
19 form.

08:27:24 20 THE REPORTER: Who --

21 MR. TENREIRO: That was Andrew.

22 A. I think that would encroach upon
23 attorney-client privilege.

24 Q. Okay. How is it that you don't know who
08:27:32 25 you sold the XRP to in [REDACTED]?

08:27:34 1 MR. SOLOMON: Objection; form.

2 A. The nature of how -- I guess the way I
3 think about that is if I ever -- well, when you
4 are selling XRP on an exchange, you don't know who
08:27:52 5 the counterparty is.

6 Q. Okay. And is that true for the Bitstamp
7 platform? Is that true that you don't know who
8 the counterparty is?

9 A. Yes.

08:28:01 10 Q. And is that true for the platforms on
11 which GSR sold your XRP?

12 A. I believe so.

13 Q. Okay. Have you ever asked GSR if they
14 know who they're selling your XRP to?

08:28:15 15 A. Not that I can recall.

16 Q. Okay. So you are currently employed as
17 Ripple's CEO, is that right?

18 A. Yes.

19 Q. Okay. And you've held that position
08:28:22 20 since January 1st, 2017, is that correct?

21 A. Yes.

22 Q. Before that you were Ripple's COO, is
23 that right?

24 A. That is correct.

08:28:32 25 Q. Okay. And I think you became the COO

08:28:34 1 around April of 2015, is that correct?

2 A. Yes, that sounds correct.

3 Q. As CEO, do you have the power to make
4 decisions on behalf of Ripple?

08:28:43 5 A. As CEO, I have the authority to make
6 decisions on behalf of Ripple.

7 Q. Do you have authority to manage Ripple's
8 activities?

9 A. Yes.

08:28:55 10 Q. How about to direct -- sorry.

11 A. I believe so. Yes.

12 Q. How about to direct its policies?

13 MR. CERESNEY: Objection to
14 form.

08:29:04 15 A. Yes.

16 Q. Did Ripple ever file a registration
17 statement for any XRP offer or sale with the SEC?

18 A. Not of which I'm aware.

19 Q. If you decided -- if you,

08:29:14 20 Mr. Garlinghouse, decided that Ripple should file
21 such a registration statement, would you have the
22 power to make that decision?

23 MR. CERESNEY: Objection to
24 form.

08:29:23 25 MR. SOLOMON: Objection.

08:29:24 1 A. Yes.

2 Q. Is there anyone else who would have the
3 authority at Ripple to make the decision to file a
4 registration statement?

08:29:29 5 MR. SOLOMON: Objection.

6 A. I guess -- during what time period?
7 After January 1st, 2017?

8 Q. Sure.

9 A. I mean, I think the -- the board of
08:29:42 10 directors could act in some manner to facilitate
11 that.

12 Q. And have you ever sat on the board?

13 A. I do sit on the board.

14 Q. Since when?

08:29:56 15 A. I believe I officially took the board
16 seat in January of 2017.

17 Q. How many directors are on the board as
18 of December of 2020?

19 A. December 2020. I don't recall exactly.
08:30:13 20 I think seven.

21 Q. Okay. And who are they?

22 A. In -- in December of 2020, the board
23 members would have been myself, Chris Larsen, Anja
24 Manuel, Susan Athey, I think, depending upon

08:30:34 25 what -- I think Ben Lawsky resigned from the board

08:30:38 1 in roughly December 2020. Craig Phillips, Yoski
2 Kitao.

3 Q. That's seven.

4 A. Yeah, I feel like I forgot somebody.

08:30:57 5 Q. It's confidential. They won't see it.
6 It's okay. If you don't remember, it's okay.

7 A. You don't want to forget one of your
8 board members.

9 Q. Yeah.

08:31:05 10 A. I said Craig Phillips. Gene -- he's
11 already off the board at that time. I think
12 that's it.

13 Q. Who selects -- as of December 2020, who
14 selected who would be on the board?

08:31:19 15 A. I mean, I'd say, generally speaking,
16 Chris Larsen would be -- would have been the
17 primary person, but typically what would happen if
18 we were adding a board member is I would take
19 point in interviewing candidates, discussing
08:31:40 20 various -- you know, the possibility of the
21 various candidates, and then would present to
22 Chris and the rest of the board, you know,
23 effectively a finalist or two for the board's
24 consideration.

08:31:51 25 Q. Why was Mr. Larsen the primary person?

08:31:54 1 MR. SOLOMON: Objection.

2 A. Chris was the executive chairman of
3 Ripple. And as executive chairman, you know, I
4 think, generally speaking, you -- the Chair of the
08:32:08 5 board as -- if the Chair of the board is not
6 supportive of a candidate, that probably isn't a
7 good path to push.

8 Q. And why did Lawskey resign?

9 A. Mr. Lawskey had been on the board for a
08:32:25 10 few years. He was approaching his four-year
11 tenure. He had worked at a digital asset
12 investment group -- or he does work at a digital
13 asset investment group, as an advisor, called
14 [REDACTED] which I think stands for [REDACTED]

08:32:44 15 [REDACTED]

16 And by virtue of his position -- you
17 know, his board position sometimes created
18 knowledge he had about Ripple that couldn't be
19 shared and needed to be kind of firewalled within
08:32:58 20 the [REDACTED] And I think over time
21 he felt like, as [REDACTED] was growing and his time
22 spent on [REDACTED] was growing, I think he felt that
23 his -- that the conflict was becoming more
24 problematic. Or the potential conflict was
08:33:13 25 becoming more problematic.

08:33:17 1 Q. Before working for Ripple,
2 Mr. Garlinghouse, did you have any experience with
3 cryptography?

4 A. No.

08:33:23 5 Q. Did you have any experience before
6 working for Ripple with distributed ledgers?

7 A. No.

8 Q. Did you have any experience before you
9 joined Ripple with cryptocurrency?

08:33:35 10 A. Minimal.

11 Q. What was that experience?

12 A. I owned some bitcoin.

13 Q. Other than that, did you have any
14 experience with cryptocurrency?

08:33:45 15 A. No.

16 Q. Did you have any experience with
17 Byzantine fault theory?

18 A. No.

19 Q. When you joined Ripple, what, if any,
08:33:53 20 work did you do to sort of educate yourself or
21 familiarize yourself with distributed ledgers and
22 blockchain technology?

23 A. I met with people at Ripple to better
24 understand Ripple's technology.

08:34:16 25 Q. What people did you meet with?

08:34:20 1 A. Certainly [REDACTED] I believe was
2 the CTO at the time. [REDACTED] was the VP of
3 engineering at the time. Arthur Britto was an
4 outside advisor to the company. That would be a
08:34:38 5 handful of examples.

6 Q. Okay. When you joined Ripple, did you
7 understand that Ripple owned XRP?

8 A. I actually don't recall what I actually
9 understood at the time I joined Ripple.

08:34:51 10 Q. You're talking about, like, the day you
11 started?

12 A. Yeah.

13 Q. Shortly after starting Ripple --
14 starting to work at Ripple, did you come to
08:34:57 15 understand that Ripple held XRP?

16 A. Certainly during the course of calendar
17 year 2015 I came to understand that Ripple owned
18 XRP.

19 Q. Before you started at Ripple, who did
08:35:08 20 you meet with about Ripple at Ripple?

21 A. Sorry. Maybe just restate the question,
22 please.

23 Q. Sure.

24 Who did you meet with Ripple sort of --
08:35:20 25 let me start again.

08:35:22 1 Who did you meet with at Ripple in
2 connection with starting your employment there?

3 A. Including interviews?

4 Q. Yeah.

08:35:31 5 A. So my first interview -- well, the
6 interview came by virtue of outreach from a
7 recruiter named [REDACTED] with a recruiting firm
8 I can't recall the name of. Includes the name
9 [REDACTED]

08:35:46 10 And I first met with Chris Larsen. I
11 probably met people coming and going, but the
12 first meeting was Chris Larsen. I think I was
13 introduced to a couple of people on the way in and
14 the way out.

08:35:59 15 I remember coming back and meeting with
16 a number of people who would have reported to this
17 newly created position of COO. That included
18 [REDACTED], that included Monica Long, that
19 included Patrick Griffin. I think that included
08:36:17 20 Asheesh Birla.

21 I met with at least one board member, a
22 gentleman named Arjan Schutte, who is no longer on
23 the board. I can't -- that's all I can recall.

24 Q. So is it your recollection today that
08:36:38 25 after these meetings, these sort of preliminary

08:36:41 1 meetings or interviews, you were not necessarily
2 sure about whether Ripple owned XRP, is that
3 right?

4 MR. SOLOMON: Objection.

08:36:51 5 A. Yeah, I actually remember -- and I think
6 in my deposition from the investigation, you know,
7 I remember interviewing with Chris Larsen. I
8 remember leaving the meeting and thinking I did
9 not know what he was talking about because I maybe
08:37:06 10 hadn't done enough homework going into the meeting
11 to understand some of the things that he was
12 describing.

13 I remember him talking about billions of
14 XRP and me -- the word "billions" is a notable
08:37:19 15 thing. And so I was, like, what is he talk -- you
16 know. So I did not understand and sought to
17 better understand, but I don't recall, you know,
18 what research I did.

19 Q. Sure.

08:37:30 20 So throughout the calendar year 2015,
21 you -- you came to understand that Ripple held
22 billions of XRP, is that right?

23 A. Yes.

24 Q. And how did you come to gain that
08:37:39 25 understanding?

08:37:43 1 A. I don't recall.

2 Q. And throughout calendar year 2015, did
3 you come to understand that Ripple's XRP holdings
4 were a significant asset for Ripple?

08:37:51 5 MR. SOLOMON: Objection to form.

6 A. No.

7 Q. Did you ever come to understand that
8 X -- Ripple's XRP holdings were a significant
9 asset for Ripple?

08:37:59 10 A. Yes.

11 Q. At what point did you come to understand
12 that?

13 A. I didn't consider Ripple's holdings of
14 XRP significant probably until 2017.

08:38:13 15 Q. And why -- why in 2017 did you start to
16 consider them to be significant?

17 A. Two factors: One is the liquidity in
18 the XRP market had increased markedly and the
19 value of the XRP that Ripple held increased
08:38:30 20 markedly.

21 Q. And "the value," do you mean the -- does
22 that include the price of XRP?

23 A. Price I think would be included in
24 value, yes.

08:38:37 25 Q. Okay. So -- understood.

08:38:41 1 Has the regulatory status of XRP -- I'm
2 not talking just about securities laws, but has
3 the regulatory status of XRP been an important
4 issue for you throughout your tenure as Ripple's
08:38:55 5 CEO?

6 MR. SOLOMON: Objection to form.

7 A. No.

8 Q. Has -- at any time during your tenure as
9 Ripple's CEO, has the regulatory status of XRP
08:39:03 10 been important to you?

11 MR. SOLOMON: Objection to form.

12 A. Yes.

13 Q. At what time did that -- did it begin
14 being important to you?

08:39:09 15 A. What I -- what I recall is Ripple
16 received a letter from the SEC in spring, late
17 spring, of 2018. And that was a time when I was,
18 like, oh, okay, this needs to increase on the
19 prioritization list.

08:39:32 20 MR. SOLOMON: And if I could just
21 interrupt, when you say "regulatory
22 status," do you mean across the board or
23 just with respect to the Securities and
24 Exchange --

08:39:41 25 MR. TENREIRO: No, I meant across

08:39:42 1 the board. And that's why I want to go
2 back, because I think he might have --

3 MR. SOLOMON: That's what I was
4 clarifying, yes.

08:39:46 5 BY MR. TENREIRO:

6 Q. So let me -- let me -- thank you for
7 that. I want to get to that.

8 MR. TENREIRO: And thank you to
9 Mr. Solomon, because my question was
08:39:49 10 broader first.

11 A. Okay.

12 Q. So sort of the regulatory status of XRP.

13 A. Oh, yeah.

14 Q. You know, it doesn't just have to be
08:39:55 15 securities laws.

16 Was that important in general to you
17 when you were the CEO?

18 A. Well, maybe even going slightly more
19 macro, you know, I -- I would say I spent --
08:40:08 20 certainly before the time I referenced earlier of
21 the spring of 2018, early spring of 2018, you
22 know, I was meeting with central bankers around
23 the world. You know, that was primarily to
24 provide clarity, transparency, education about
08:40:25 25 Ripple, about how we used XRP.

08:40:32 1 You know, other governments around the
2 world are, frankly, ahead of the United States in
3 providing clarity about how they looked at digital
4 assets broadly. You know, the UK created
08:40:47 5 something called the Token Taxonomy Act. Other
6 governments created various things.

7 So I spent time, energy -- directly,
8 indirectly -- to educate myself as well as
9 evangelize and hopefully educate the market on,
08:41:06 10 you know, various constructs that I thought would
11 allow for these industries to thrive.

12 Q. Okay. So -- and -- and in terms of the
13 importance -- let me start again.

14 As the CEO of Ripple, throughout your
08:41:21 15 tenure has it been important to you that Ripple
16 comply with U.S. law?

17 MR. CERESNEY: Objection to
18 form.

19 A. Yes.

08:41:29 20 Q. Okay. And to the extent that you spent
21 time -- I think we said central bankers -- did
22 this begin when you were COO? when you were CEO?
23 Can you give me a point of reference as to when
24 this sort of activity began for you?

08:41:44 25 A. I don't recall specifically. I think

08:41:45 1 it's fair to say that it has always been a
2 priority for Ripple to act, you know, within and
3 in concert with governments around the world in
4 how the digital asset market was evolving.

08:42:02 5 As you probably are aware, I think in
6 contrast -- and, frankly, one of the things that
7 drew me to Ripple, I felt, having owned bitcoin
8 and looked at the digital asset mark -- market
9 broadly, I felt that the idea that bitcoin and
08:42:20 10 some in the early origins of the kind of crypto
11 industry were very anti-government, anti-bank,
12 we're going to circumvent the government, we're
13 going to circumvent the banks. And I always felt
14 that that was, at best, shortsighted.

08:42:35 15 And one of the things that drew me to
16 Ripple was Ripple's view that, hey, we're going to
17 work with the banks, we're going to work alongside
18 the governments, and use these technologies to
19 provide benefit to customers, to consumers, to,
08:42:48 20 you know, all segments of the population.

21 Q. Okay. And did you -- you -- you -- you
22 mentioned a few moments ago sort of the late
23 spring of 2018 as a moment where you got a letter
24 from the SEC, is that correct?

08:43:02 25 A. That's correct.

08:43:03 1 Q. Did you get it personally or did you get
2 it through counsel?

3 A. I believe I got it through counsel.

4 Q. Okay. And who was that?

08:43:09 5 A. [REDACTED] was our general counsel at
6 the time.

7 Q. Okay. Do you know how [REDACTED] got it?

8 A. I do not.

9 Q. Okay. Did you read the letter?

08:43:18 10 A. And, by the way, to be fair, it may have
11 come directly to me. Someone -- between the time
12 it came into the building and got to me, I think
13 [REDACTED] was probably the first recipient of it.

14 Q. Did you read the letter?

08:43:32 15 A. At some point I'm sure I did.

16 Q. Okay. Did you -- so I'm just going to
17 use the late spring of 2018 as that moment in
18 time.

19 Before the late spring of 2018, had you
08:43:42 20 had conversations with your chief compliance
21 officer about the regulatory status of XRP under
22 U.S. laws?

23 A. I don't recall.

24 Q. And the chief compliance officer, just
08:43:51 25 to be clear, was Antoinette O'Gorman at that time?

08:43:55 1 A. I believe so, yes.

2 Q. Okay. If XRP is deemed to be a security
3 under United States law, would that have a
4 significant impact on Ripple?

08:44:08 5 MR. CERESNEY: Objection.

6 MR. SOLOMON: Objection.

7 A. Well, part of -- I mean, I think, to
8 answer that question, I'd be commenting on
9 conversations I've had with counsel.

08:44:19 10 Q. So I'm asking you as the CEO of the
11 business, you know. From your business
12 perspective, would that determination have a
13 significant impact on your company?

14 MR. SOLOMON: Only if you can
08:44:28 15 answer the question without getting into
16 conversations that you've had with
17 attorneys.

18 THE WITNESS: Yeah.

19 A. When I arrived at Ripple, I knew nothing
08:44:36 20 about securities laws. Probably in late spring of
21 2018, I had limited familiarity with securities
22 laws.

23 So my understanding of how Ripple's
24 business might, could have been, would be affected
08:44:53 25 by -- if XRP were deemed to be a security was

08:44:58 1 certainly informed by legal counsel.

2 Q. Okay. If you -- if Ripple was not ever
3 able to sell another unit of XRP again, would that
4 be significant for Ripple?

08:45:08 5 MR. SOLOMON: Objection to form.

6 A. Possibly.

7 Q. What would it depend on?

8 A. How Ripple's business evolved without
9 having XRP.

08:45:25 10 Q. We'll get back to that.

11 Let's -- you said when you arrived at
12 Ripple you knew nothing about securities laws, is
13 that correct?

14 A. I knew very little about securities
08:45:35 15 laws.

16 Q. You've -- you've never gone to law
17 school, for example, correct?

18 A. Correct.

19 Q. You've never practiced law?

08:45:43 20 A. I have never practiced law.

21 Q. Okay. In 2017 you read the SEC's DAO
22 Report, D-A-O Report?

23 MR. SOLOMON: Objection to form.

24 A. I don't recall reading the DAO Report.

08:45:56 25 Q. You were aware of the DAO Report?

08:45:56 1 MR. SOLOMON: Objection to form.

2 A. I was aware of the DAO Report.

3 Q. And -- all right.

4 So do you understand that one of the
08:46:05 5 issues in this case is whether XRP was offered and
6 sold by -- by Ripple as a security subject to
7 regulation by the SEC?

8 MR. SOLOMON: Objection to form.

9 A. Can you repeat that question?

08:46:18 10 Q. Yes.

11 Do you understand that one of the issues
12 in this matter, in this litigation, is whether
13 Ripple offered and sold XRP as a security?

14 MR. SOLOMON: Objection to form.

08:46:26 15 A. Yes.

16 Q. Has anyone at the SEC ever told you that
17 they did not view Ripple's offers and sales of XRP
18 as securities transactions?

19 MR. CERESNEY: Do you mean other
08:46:42 20 than with discussions with counsel?

21 THE REPORTER: I'm sorry, I
22 can't hear you.

23 MR. CERESNEY: Do you mean other
24 than through discussions with counsel?

08:46:43 25 MR. SOLOMON: I think he was

08:46:44 1 saying at the -- has any SEC employee --

2 MR. TENREIRO: Has any SEC

3 employee told him --

4 THE WITNESS: Will you repeat the

08:46:52 5 question, please?

6 MR. TENREIRO: Yes.

7 THE WITNESS: Thank you.

8 BY MR. TENREIRO:

9 Q. Has any SEC employee ever told you that

08:46:56 10 they did not view Ripple's offers and sales of XRP
11 as securities transactions?

12 A. No.

13 Q. Has any SEC employee ever told you that

14 they did not view your offers and sales of XRP as

08:47:11 15 a securities transaction?

16 A. No.

17 Q. Has any SEC employee ever told you that

18 the SEC does not view Ripple's offers and sales of

19 XRP as a securities transaction?

08:47:24 20 A. No.

21 Q. Has any SEC employee ever told you that

22 the SEC does not view your offers and sales of XRP

23 as a securities transaction?

24 A. I think implicit in that question is

08:47:36 25 that -- sorry, could you repeat the question?

08:47:38 1 Q. Has any SEC employee ever told you that
2 the SEC does not view you, Mr. Garlinghouse's,
3 sales of XRP as securities transactions?

4 A. I'm not trying to be -- I'm having
08:47:51 5 trouble following that whole thing. One more
6 time. I apologize.

7 Q. Yeah. No problem.
8 Has any SEC employee ever told you that
9 the SEC itself --

08:47:59 10 A. Yes.

11 Q. -- does not view Mr. Garlinghouse's
12 transactions as securities transactions?

13 A. No.

14 Q. Okay. Are you aware of anyone
08:48:06 15 affiliated with the SEC communicating to anyone at
16 Ripple sort of in sum and substance that Ripple's
17 transactions are not securities transactions?

18 A. Well, when you include anyone at the SEC
19 and anyone at Ripple, I guess that includes public
08:48:22 20 statements that the SEC and individuals at the SEC
21 may have made to the public.

22 Q. Well, we can talk about those, but I --
23 here I was asking about conversations between SEC
24 employees or, you know, people affiliated with the
08:48:37 25 SEC, working for the SEC, and people working for

08:48:40 1 Ripple.

2 A. Not of which I'm aware.

3 Q. Okay. And are you aware that in
4 approximately September of 2019, SEC staff
08:48:46 5 informed Ripple that they were likely to conclude
6 that it did view Ripple's offers and sales of XRP
7 as securities transactions?

8 MR. SOLOMON: Objection to form.

9 MR. CERESNEY: Also, here again,
08:48:57 10 this is other than discussions with
11 counsel. So if the only discussion you
12 had was with counsel in this regard, then
13 I would instruct you not to answer.

14 MR. TENREIRO: So you're going to
08:49:05 15 instruct him not to answer the transmittal
16 information simply repeating what the SEC
17 said. Okay.

18 MR. CERESNEY: Yes, I am.

19 MR. TENREIRO: Go ahead.

08:49:12 20 MR. CERESNEY: And not -- and
21 not simply repeating. Your question was
22 broader than that. In any event, the
23 discussion between counsel and
24 Mr. Garlinghouse would be privileged.

08:49:19 25 MR. TENREIRO: My question is not

08:49:20 1 broader.

2 BY MR. TENREIRO:

3 Q. My question is: Are you aware -- yes or
4 no. Are you aware that in September of 2019, SEC
08:49:25 5 staff informed Ripple that the SEC staff was
6 likely to conclude that it viewed Ripple's offers
7 and sales of XRP as securities transactions?

8 A. No.

9 MR. SOLOMON: Objection to form.

08:49:33 10 MR. CERESNEY: And I'm going to
11 instruct the witness that if that
12 discussion was with counsel, he should
13 not answer the question.

14 Q. So are you -- you're -- go ahead.

08:49:41 15 A. My testimony is no.

16 Q. Okay. In 2018 you met with certain SEC
17 Commissioners at the SEC's headquarters in
18 Washington, correct?

19 A. Sorry. Could you repeat the dates?

08:49:53 20 Q. In 2018.

21 MR. SOLOMON: Objection; form.

22 A. I don't know the exact dates. I -- in,
23 I believe, June of 2018 -- you know, to be honest,
24 I don't remember the exact dates. It was later in
08:50:06 25 the summer of 2018 I met with Chairman Clayton and

08:50:10 1 subsequently had meetings with Commissioner
2 Roisman and Commissioner Pierce.

3 Q. What was the purpose of the meetings?

4 A. To discuss, as I had with, you know,
08:50:20 5 kind of many government officials around the
6 world, what Ripple does, how we use XRP, our views
7 on the crypto markets.

8 Q. How did you procure the meetings?

9 MR. SOLOMON: Objection to form.

08:50:34 10 A. Which -- well, I recall the meeting with
11 Chairman Clayton was organized by individuals at
12 the White House. I don't recall how the meetings
13 with Commissioner Pierce or Commissioner Roisman
14 came to fruition.

08:50:54 15 Q. Okay. What individuals at the White
16 House were you referencing in your prior answer?

17 A. A gentleman, [REDACTED] had taken an
18 interest in what was going on and he had been
19 helpful in organizing the meeting.

08:51:11 20 Q. Had taken an interest in what had been
21 going on. Can you be a little more specific?

22 A. So I think this was after the SEC had --
23 let me back up a little bit.

24 One of the things that I came to feel
08:51:29 25 in, you know, early 208 -- sorry, early summer of

08:51:32 1 2018, as evidenced by the letter we received from
2 the SEC, is that we had not been -- I had not been
3 particularly proactive or, frankly, I don't think
4 I made any trips to Washington, D.C., despite
08:51:49 5 talking to governments in other parts of the world
6 to talk about what Ripple's doing, how we use
7 these technologies, how the crypto markets were
8 evolving.

9 So I came to feel that we needed to be
08:52:00 10 more proactive in Washington. And John Roscoe had
11 taken an interest in, I guess, the crypto markets
12 and had offered to help arrange a meeting.

13 Q. Did someone at Ripple know him or did
14 someone just contact him randomly?

08:52:19 15 MR. SOLOMON: Objection.

16 A. No, it -- it was even more circuitous
17 than that. The [REDACTED] a
18 gentleman, as I recall, named [REDACTED], he
19 proactively reached out to me via an introduction
08:52:39 20 by a gentleman named [REDACTED]. [REDACTED] reached
21 out to me -- he's a friend -- and said [REDACTED]
22 [REDACTED] would like to talk to you." Again, I don't
23 remember exactly. But, "Hey, would you be open to
24 an introduction to the [REDACTED]
08:52:54 25 He's, you know, pro crypto. You might enjoy

08:52:57 1 talking to him."

2 I talked to him. And he mentioned -- I
3 think [REDACTED] used to work for him. And the
4 three of us did a phone call -- [REDACTED] and
08:53:08 5 myself -- and then after that [REDACTED] arranged -- or,
6 actually, I don't know how [REDACTED] arranged the
7 meeting, but he -- [REDACTED] attended the
8 meeting.

9 Q. So you're talking about the Clayton
08:53:22 10 meeting?

11 A. Yes.

12 Q. Let me put a pause on that because I
13 want to go back to something we were discussing a
14 moment ago.

08:53:28 15 I had asked you if you were aware of
16 anyone affiliated with the SEC communicating to
17 anyone at Ripple that they did not view Ripple's
18 transactions to be securities transactions. And
19 I'm paraphrasing, but you said -- you referenced
08:53:41 20 public statements that the SEC and individuals
21 made.

22 Do you recall referencing that a few
23 moments ago?

24 A. I do.

08:53:47 25 Q. What were you referring to when you were

08:53:49 1 referencing public statements?

2 A. I mean, there have been a number of
3 interviews by people who are currently at the SEC,
4 people who were at the SEC, who have given
08:54:04 5 interviews about crypto and about the regulatory
6 status of crypto.

7 Q. Did any -- in any of those interviews
8 someone at the SEC mention a view that XRP
9 transactions by Ripple were not securities
08:54:21 10 transactions?

11 A. Well, I think members of SEC staff, both
12 at that time and members of the SEC today, have
13 made comments which have suggested that they did
14 not view XRP as a security.

08:54:41 15 Q. What -- and what comments are you
16 referencing?

17 A. Well, I happened to see on Twitter
18 yesterday Chair Gensler was saying in 2018 that he
19 viewed 75 percent of the crypto market as not
08:54:54 20 securities, as one example.

21 Q. Right.

22 So Mr. Gensler was not associated with
23 the SEC in 2018, correct?

24 A. As far as I know, yes.

08:55:04 25 Q. Okay. So let me frame the question in

08:55:07 1 time.

2 Before the filing of the lawsuit, did
3 anyone at -- at the SEC, who was at the SEC at
4 that time, make public statements that they did
08:55:19 5 not view Ripple's transactions in XRP as
6 securities transactions?

7 A. Well, I mean, again, referencing public
8 statements, the director of corporate finance,
9 Bill Hinman, had given an in-depth speech. One of
08:55:37 10 the topics he covered in that was that X -- excuse
11 me, ETH was not a security and, in large part,
12 because of the decentralization of ETH, which I
13 viewed -- and I think others viewed as well -- XRP
14 in many ways is more decentralized than ETH. And
08:55:58 15 if decentralization was an important component of
16 the SEC's determination that ETH was not a
17 security, that seemed like a positive indicator
18 for how the SEC may view XRP.

19 MR. SOLOMON: That was your
08:56:10 20 inference. I think what he's asking is
21 specifically about XRP. If you recall
22 anybody from the SEC specifically
23 commenting on the regulatory status of
24 XRP, whether it was or was not a security,
08:56:21 25 if I have that right.

08:56:22 1 A. No.

2 MR. TENREIRO: You do.

3 MR. SOLOMON: Okay.

4 BY MR. TENREIRO:

08:56:24 5 Q. Okay. So let's go back to the -- the
6 meeting, I think with Clayton. Generally your
7 recollection is somebody named [REDACTED] might
8 have helped secure that meeting, correct?

9 A. Not might have. He did.

08:56:39 10 Q. Oh, he did. Okay.

11 And what about -- did he also help you
12 set up the meeting with Commissioner Pierce?

13 A. I don't recall.

14 Q. Okay. And did Ripple give [REDACTED]
08:56:54 15 anything of value in connection with him setting
16 up the meeting?

17 A. Not that I'm aware of.

18 Q. Okay. Did you meet with Commissioner
19 Pierce?

08:57:01 20 A. Yes.

21 Q. Who was present? Sorry.

22 A. Yes. I believe so.

23 Q. Okay. Where?

24 A. I believe it was at the SEC's offices.

08:57:11 25 Q. Who was present?

08:57:12 1 A. Commissioner Pierce was present. I was
2 present. And I don't recall who else.

3 Q. Were any of your lawyers present?

4 A. Not to my recollection.

08:57:21 5 Q. And at the meeting with Commissioner
6 Roisman, who was present?

7 A. Commissioner Roisman was present. I
8 believe his chief of staff was present. Actually,
9 I do believe at that meeting that maybe his -- to
08:57:35 10 the extent he has counsel, I think there was a
11 lawyer that attended from the SEC.

12 Q. You mean for Mr. Roisman?

13 A. Yes.

14 Q. Commissioner Roisman.

08:57:44 15 A. Sorry. Yes.

16 Q. Did -- was your counsel present?

17 A. No. Actually, let me restate that. Not
18 to my recollection.

19 MR. SOLOMON: And just for
08:57:55 20 clarification, when you say "your
21 counsel," do you mean Ripple's counsel,
22 Brad's personal counsel, or both? I just
23 want to make sure that we're clear on
24 that.

08:58:03 25 BY MR. TENREIRO:

08:58:03 1 Q. Were either of -- either your personal
2 counsel or Ripple's counsel present?

3 A. I didn't have personal counsel until
4 2020. So I'm certain that my personal counsel was
08:58:12 5 not present.

6 Q. Sure. And -- okay.
7 And, now, at the meeting with Chair
8 Clayton, was -- since you did not have personal
9 counsel, was Ripple's counsel present at that
08:58:19 10 meeting?

11 A. No.

12 Q. Who was present?

13 A. From Ripple?

14 Q. Yes. Well, anybody. Who was present?

08:58:29 15 A. I -- I doubt I can -- I mean, my
16 recollection, Chair Clayton was certainly there,
17 Director Hinman was there. I believe Chair
18 Clayton's chief of staff was there, David Schwartz
19 was there, I was there, and [REDACTED] was there.
08:58:45 20 And I think that's a comprehensive list.

21 Q. How long did that meeting last?

22 A. I believe an hour.

23 Q. Did -- have you ever met with any other
24 sitting SEC commissioner? I understand, you know,
08:58:55 25 there's some former commissioners, but have you

08:58:58 1 ever had meetings with sitting -- sitting SEC
2 commissioners?

3 A. Not to my knowledge.

4 Q. Other than the meetings with Chair
08:59:04 5 Clayton, Commissioners Roisman and Pierce, other
6 than those three meetings -- sorry.

7 Did you meet with any of them more than
8 once?

9 MR. SOLOMON: Objection to form.

08:59:16 10 A. Sorry. One recollection I just had is I
11 did -- I don't remember when Commissioner Jackson
12 left his tenure. I think I may have met with him
13 immediately before, within like the week before he
14 exited his commissioner status.

08:59:31 15 Q. Okay. For what purpose did you meet
16 with him?

17 A. I mean, similar to talk about what's
18 going on in crypto, to talk about with what's
19 going on with Ripple. Evangelizing, you know,
08:59:41 20 what Ripple's up to and our views of, you know,
21 U.S. regulatory dynamics.

22 Q. Did you meet with him at the SEC?

23 A. No.

24 Q. Where did you meet with him?

08:59:52 25 A. Here in New York.

08:59:54 1 Q. Where in New York?

2 A. I don't recall the name of the place, to
3 be honest with you. It was a coffee shop, I
4 think.

09:00:02 5 Q. In these meetings with the
6 Commissioners, did any of the commissioners tell
7 you that they did not believe that XRP is a
8 security?

9 A. Yes.

09:00:14 10 Q. Who?

11 A. I recall Commissioner Roisman very
12 specifically saying "I'm sorry you've even had to
13 come here." I think that the confusion about the
14 status of XRP he viewed as not healthy for the
09:00:31 15 market. I -- I don't -- I recall less about the
16 meeting with Commissioner Pierce.

17 Q. Okay. Did the Chair tell you he did not
18 believe XRP was a security?

19 A. No.

09:00:44 20 Q. Okay. And Commissioner Roisman, you --
21 you referenced he said he was sorry you had to
22 come here, but did he tell you that he did not
23 view XRP as a security?

24 MR. SOLOMON: If you recall.

09:00:56 25 A. Yeah. I don't recall the exact words

09:00:57 1 that were used. I -- I think -- I mean,
2 understandably, you're asking me did I have
3 clarity -- you're asking about each of these
4 meetings and did someone make an affirmative
09:01:08 5 statement they didn't view XRP as a security. In
6 none of these meetings did everyone -- anyone ever
7 say they viewed that XRP was a security.

8 Q. Okay. So you recall that -- you recall
9 that at none of these meetings anyone said that
09:01:21 10 they viewed that XRP was a security? You recall
11 that, is that fair?

12 A. I think I would certainly recall if a --
13 if a -- and as I testified earlier in this
14 deposition, if a SEC member, commissioner or
09:01:35 15 otherwise, had said they viewed XRP was a
16 security, I would remember that.

17 Q. And would you remember if one of them
18 had said they viewed it as not a security?

19 A. Well, I -- I recall Commissioner
09:01:46 20 Roisman, without knowing exactly the words that
21 were said, making statements that in the -- you
22 know, there may be contemporaneous emails,
23 although those may have been internal with
24 counsel, but said that, you know, having had these
09:02:03 25 meetings, I -- I think it's worth pointing out,

09:02:06 1 you know, I didn't go to any of these meetings
2 with a lawyer because there never was a viewpoint
3 that that would have even have been necessary.
4 And certainly no one at the SEC ever said anything
09:02:20 5 to suggest that perhaps the SEC might view XRP as
6 a security and perhaps they might view Ripple's
7 sales of XRP as unregistered such that a lawyer
8 would have even have been necessary.

9 Q. Okay. But let's just go back because
09:02:36 10 I'm trying to get an answer on the Rois -- the
11 Commissioner Roisman question.

12 You have a recollection that none of the
13 Commissioners told you they viewed it as a
14 security. And my question is, do you have a
09:02:45 15 recollection of any of the Commissioners telling
16 you they did view it as a security specifically?

17 MR. SOLOMON: Objection to form.

18 A. Can you repeat the question?

19 Q. Yes.

09:02:55 20 Do you have a recollection of any of the
21 commissioners at these meetings telling you they
22 viewed XRP as a security?

23 A. I think I testified the answer to that
24 is no.

09:03:03 25 Q. Okay. And do you have any recollection

09:03:05 1 of any of the commissioners at these meetings
2 telling you they did not view XRP as a security?

3 A. And I think I testified yes.

4 Q. Okay. And that's Commissioner Roisman?

09:03:14 5 A. Correct.

6 Q. And did any of the commissioners' staff
7 members share with you their views as to whether
8 XRP was a security?

9 A. I don't recall.

09:03:30 10 Q. Okay. Did you convey what Commissioner
11 Roisman told you to anybody else?

12 MR. SOLOMON: And, again, be
13 careful here not to --

14 THE WITNESS: Yeah.

09:03:35 15 MR. SOLOMON: -- disclose
16 information that you may have conveyed to
17 counsel in connection with privileged
18 conversation.

19 A. Could you repeat the question?

09:03:42 20 Q. Did you convey what the commissioner
21 told you, Commissioner Roisman told you, to
22 anybody else?

23 A. Not that I can specifically recall.

24 Q. At the time of the meeting with
09:03:52 25 Commissioner Roisman, you are aware that the SEC

09:03:54 1 was investigating Ripple, correct?

2 A. No.

3 Q. You had not received -- you had not
4 received the letter from SEC when you met with
09:04:03 5 Commissioner Roisman?

6 A. I definitely did not and I don't think
7 even from the SEC's definition that that would
8 have been considered an investigation at that
9 time.

09:04:11 10 Q. Okay. You had received -- you
11 definitely did -- had not received a letter from
12 the SEC by the time you met with Commissioner
13 Roisman?

14 A. No, that's not my testimony.

09:04:19 15 Q. Okay. I -- I apologize. Can you
16 clarify?

17 A. Ask the question again, please.

18 Q. Yes.

19 At the time that you -- that you met
09:04:25 20 with Commissioner Roisman, had you received a
21 letter from the SEC?

22 A. Yes.

23 Q. Okay. So you were aware that the SEC
24 was asking questions about Ripple's activities at
09:04:34 25 that time?

09:04:38 1 A. I don't remember, and I haven't reread
2 the -- that letter from the SEC. I think my
3 understanding at the time was that the SEC wanted
4 to discuss the status of XRP, not necessarily
09:04:54 5 Ripple's activity with it.

6 Q. The status of XRP under the securities
7 laws?

8 A. Under the securities laws.

9 Q. Okay. What was the understanding based
09:05:02 10 on?

11 MR. SOLOMON: Again, be very
12 careful in responding that you don't
13 disclose attorney-client privileged
14 information you may have had with counsel.
09:05:13 15 Not me, other counsel.

16 A. Okay. Can you ask the question again?

17 Q. Sure.

18 You said "my understanding at the time
19 was that the SEC wanted to discuss the status of
09:05:21 20 XRP, not necessarily Ripple's activity with it."
21 And my question is, what was that understanding
22 based on?

23 A. I think I can't really comment to that
24 outside of attorney-client privilege.

09:05:32 25 Q. Okay. So you had -- but you had an

09:05:35 1 understanding that the SEC wanted to discuss the
2 status of XRP when you met with Commissioner
3 Roisman?

4 A. Yes.

09:05:42 5 Q. Did that understanding that the SEC
6 wanted to discuss the status of XRP change after
7 your meeting with Commissioner Roisman?

8 A. You know, even today I don't fully
9 understand the dynamic between a commissioner and
09:05:58 10 staff. And so I would not have expected that a
11 commissioner having a viewpoint, whether or not
12 that affected staff's activity.

13 And, again, I think it's worth pointing
14 out I never would have used the word
09:06:19 15 "investigation" to describe the SEC's activities.
16 I think it was primarily led by corporate finance
17 as it related to XRP in this time period.

18 And so I kind of viewed it as, okay, you
19 know, as I had with many government -- governments
09:06:38 20 around the world, this was an opportunity to
21 explain, discuss, educate. And in part, frankly,
22 because other governments around the world had
23 taken express clarifying views that XRP was a
24 currency, I viewed it as, okay, you know, let's
09:07:01 25 have conversations with the SEC as well.

09:07:12 1 Q. You said "other governments around the
2 world have taken express clarifying views that XRP
3 was a currency." As of the time you were having
4 conversations with the SEC?

09:07:21 5 A. I think that's right, yes. I believe
6 so.

7 Q. Can you recall which ones?

8 A. Well, certainly the UK, Japan, and
9 Singapore would all come to mind.

09:07:31 10 Q. Any others?

11 A. Switzerland has taken a -- I mean, my
12 one qualification here is I don't remember exactly
13 what timelines and, you know, the fuzzy --
14 fuzziness of, you know, what happened in 2017,
09:07:45 15 2018. But certainly in -- my recollection is that
16 a number of governments around the world in 2017,
17 because of what I would describe as an ICO boom,
18 an initial coin offering boom, got more active and
19 provided clarifying statements.

09:08:04 20 And so I would probably highlight Japan,
21 UK, Singapore, maybe Switzerland.

22 Q. Okay. And, again, this issue of
23 regulatory status was important to you as CEO.
24 You were meeting with, I think you said, central
09:08:18 25 banks, et cetera.

09:08:19 1 MR. SOLOMON: Objection to form.

2 A. I don't think that was my testimony. I
3 think my testimony -- I didn't consider regulatory
4 status. I thought it was important that central
09:08:28 5 banks understood that how Ripple uses its
6 technology doesn't circumvent any of the
7 financial, you know, rules and regulations
8 associated with money laundering, KYC, OFAC
9 compliance.

09:08:41 10 And I think -- my experience was that
11 when central banks, when various regulators
12 understood that the nature of Ripple's technology,
13 and even how we use XRP, doesn't circumvent a
14 regulated end point in a financial institution,
09:08:59 15 that the laws that they apply for whatever
16 financial regulations they want to put in place
17 don't change based upon using Ripple's technology
18 in their markets.

19 Q. Separate from meetings with central
09:09:13 20 banks, was the regulatory status of XRP important
21 to you as CEO in 2017?

22 A. No.

23 Q. Okay. Did it ever become important to
24 you?

09:09:22 25 A. Yes.

09:09:22 1 Q. When?

2 A. I -- I think my testimony earlier was
3 when we received a letter from the SEC, it -- it
4 raised on my prioritization list.

09:09:32 5 MR. SOLOMON: Again, I just want
6 to clarify. His regulatory status in
7 relation to the SEC or generally?

8 MR. TENREIRO: I was talking
9 generally.

09:09:39 10 MR. SOLOMON: Okay. That's not
11 the question. He was asking you --

12 THE WITNESS: Yes.

13 MR. SOLOMON: -- as to whether
14 the regulatory status was important to you
09:09:46 15 at any point in time.

16 THE WITNESS: Repeat the question
17 one more time. I apologize.

18 BY MR. TENREIRO:

19 Q. Was the regulatory status of XRP
09:09:51 20 important to you as CEO in 2017?

21 A. The thing I'm trying to separate is
22 regulatorily -- regulatory status as opposed to,
23 you know, regulatory, you know, rules and
24 regulations associated with money transmission.
09:10:08 25 The latter would have always been important to me.

09:10:13 1 Q. Okay.

2 A. The former generally wasn't because I
3 didn't think of it as an important, critical
4 issue, because it seemed so obvious to me that it
09:10:24 5 was a currency and is being regulated as a
6 currency by many governments around the world. I
7 didn't think of it as a critical, important issue
8 that needed lots of attention because it seemed
9 obvious to me.

09:10:37 10 Q. So the regulatory status of XRP, for
11 example, with respect to money transmission rules,
12 were important to you throughout your tenure as
13 CEO, is that correct?

14 A. Yes.

09:10:47 15 Q. Okay. Were there any other sort of
16 regulatory frameworks that were important to you?
17 So I think you -- we've been talking about
18 securities and -- and money transmission. Other
19 regulatory frameworks that were important to you
09:11:00 20 with respect to XRP in 2017?

21 A. It's a very broad question. You know,
22 well, maybe ask the question one more time so I --
23 or if you could maybe narrow it a little bit, that
24 would be helpful.

09:11:18 25 Q. Well, other -- just -- I'm just asking

09:11:19 1 for a recollection.

2 So other than, you know, money
3 transmission type rules, securities-related
4 issues, were there other regulatory issues that
09:11:25 5 were important to you with respect to XRP in 2017?

6 A. Is KYC considered a money transmission
7 rule?

8 Q. So KYC is another.

9 Any -- anything else you can recall?

09:11:38 10 A. So I view -- I viewed -- my recollection
11 from really the earliest days, in part because of
12 the settlement that Ripple had with FinCEN, from
13 the earliest days thinking that any rule,
14 regulation, law, as it related to banking, whether
09:11:55 15 it's, you know, OFAC compliance, anti-money
16 laundering, terrorist finance protection, you
17 know, all of those constructs as very important --
18 our work with banks meant that all of those were
19 very important and needed to be -- we needed to
09:12:14 20 educate, both internally/externally, how Ripple
21 did or did not impact those dynamics.

22 Q. Okay. And then after you received the
23 letter from the SEC, I think you said that the
24 securities issues raised in importance for you.

09:12:30 25 A. Yes, as a -- as a prioritization matter,

09:12:32 1 I had not considered that a high priority. And
2 after receiving the SEC's letter, it became a
3 higher priority.

4 Q. Okay. After your meeting with
09:12:44 5 Commissioner Roisman, did you come to understand
6 that whatever questions the SEC had about Ripple's
7 XRP activities had ceased?

8 MR. SOLOMON: Objection.

9 A. No.

09:13:01 10 Q. And did the issue of XRP status with the
11 SEC, did that lower in priority after your meeting
12 with Commissioner Roisman?

13 MR. SOLOMON: Objection to form.

14 A. I -- probably directionally, yes.
09:13:14 15 Right? I mean, if you meet with a commissioner of
16 the SEC and you come away feeling like there's,
17 you know -- at no point did it seem like there
18 was a -- at least at that point it did not seem
19 like there was an investigation. At no point did
09:13:28 20 it seem like, you know -- the posture of an
21 important U.S. regulator was kind of, hey, we're
22 exploring and trying to figure this out ourselves.
23 And it seemed very cooperative and -- to me. Even
24 meetings I recall you sitting in, you know, there
09:13:49 25 were 20 people from the SEC attending and, you

09:13:53 1 know, 18 or 19 of them were not from enforcement.

2 Q. So I guess I'm trying to understand. At
3 no point you said -- I'm reading. You said "At no
4 point did it seem like -- the posture of an
09:14:05 5 important U.S. regulator was kind of, hey, we're
6 exploring and trying to figure this out
7 ourselves."

8 So what did it seem like to you that it
9 was?

09:14:12 10 MR. SOLOMON: Objection to form.

11 Q. So --

12 A. I'm not sure that's exact -- I mean, I
13 understand that's what you're reading, but I don't
14 recall saying exactly that. But maybe just to
09:14:23 15 answer your question, I think my recollection is
16 that a letter was received from the SEC and our
17 engagement with the SEC was not with enforcement.
18 It was with corporate finance.

19 And we spent a fair bit of energy with,
09:14:43 20 generally speaking -- I mean, I think I used -- I
21 think there were about 20 people from the SEC at
22 one meeting I recall of which I think you may have
23 been the only person from enforcement.

24 Q. (Indicating.)

09:14:53 25 A. A couple. All right. Very few.

09:14:57 1 And, you know, so my view was, hey, this
2 is a -- a new asset class. The SEC was trying to
3 understand how different projects work. I
4 don't -- I mean, I think all those meetings
09:15:15 5 happened after Director Hinman's speech about ETH.
6 And, you know, I think we were pushing for further
7 clarity. I thought the ETH speech, you know,
8 begged many, many questions. Like, okay, now we
9 know the SEC's position on bitcoin. Now we know
09:15:33 10 the SEC's position on ETH. And that's all we
11 knew. I mean, with the exceptions of enforcement
12 cases that had come out against maybe more
13 traditionally defined ICOs.

14 THE REPORTER: "I mean" --
09:15:43 15 repeat.

16 A. I mean, other than cases that had
17 already been brought against what we would more
18 formally consider traditional ICOs.

19 Q. And I think you said enforcement cases,
09:15:55 20 but, okay.

21 So when -- what --

22 A. Are there cases that aren't enforcement?

23 Q. That's a good point.

24 So what did you understand the purpose
09:16:03 25 then of the meetings with CorpFin were? With

09:16:08 1 CorpFin were, what was the purpose in your mind?

2 MR. SOLOMON: And I just want to
3 know, with CorpFin, can you be more spe --
4 you can ask him the general question. He
09:16:17 5 can say what he recalls. I don't know if
6 you wanted him to be more specific in your
7 answer. I don't know.

8 MR. TENREIRO: Yeah. I mean -- I
9 guess let me try this.

09:16:21 10 BY MR. TENREIRO:

11 Q. You were talking about the meetings,
12 there were 20 people. I was at one of them, you
13 know.

14 What did you think the purpose of Ripple
09:16:27 15 meeting with the SEC was at that point in time?

16 A. To learn.

17 Q. For the SEC to learn?

18 A. Yeah.

19 Q. Okay. To learn about what?

09:16:39 20 A. Ripple. To learn about XRP.

21 Q. Okay. Anything else you can recall sort
22 of thinking the purpose was?

23 A. (Indicating.)

24 Q. Verbal, please. Verbal answer.

09:16:52 25 A. No. Sorry.

09:16:53 1 Q. The court reporter --

2 A. Right. Right.

3 Q. Okay. All right. So I think -- going
4 back, you know, I think you said directionally
09:16:58 5 your meeting with Commissioner Roisman was

6 important given what he said to you. Is that --

7 A. I don't think that was my testimony.

8 Q. Okay. So was -- was the meeting with
9 Commissioner -- given that you were having
09:17:10 10 meetings with the SEC, was your meeting with
11 Commissioner Roisman and what he told you
12 important to you?

13 A. All of the meetings I had with the SEC
14 were important to me. I mean, I traveled to
09:17:24 15 Washington, D.C. as one evidence that I was
16 prioritizing this and taking it seriously. I took
17 all the meetings I had with individuals at the SEC
18 as important and informative.

19 Q. Okay. But to the extent Commissioner
09:17:40 20 Roisman conveyed to you or to the extent that --
21 to the extent that Commissioner Roisman conveyed
22 to you his views about XRP, was that of particular
23 significance --

24 MR. SOLOMON: Objection.

09:17:51 25 Q. -- in the role of these several

09:17:52 1 meetings?

2 MR. SOLOMON: Objection to form.

3 A. I mean, I wouldn't say it was of
4 particular significance beyond the idea -- I
09:18:05 5 viewed all the meetings with the SEC as
6 significant. It was significant. I viewed all
7 the meetings as significant. I didn't view the
8 Roisman conversation as massively more significant
9 or less significant.

09:18:19 10 Q. Okay. Now, is your understanding of the
11 purpose of your meetings with the CorpFin staff
12 based on advice from counsel or is it based on
13 your own sort of understanding?

14 MR. SOLOMON: Objection to form.

09:18:33 15 A. Could you ask that question again?

16 Q. Yes.

17 Is your understanding of the purpose of
18 your meetings with the CorpFin staff based on
19 advice from counsel or is it based on your own
09:18:41 20 understanding?

21 A. That's an excellent question. Meaning,
22 you know, I had very little knowledge. As I
23 testified earlier, I -- you know, I'm not a
24 lawyer. I'm not a securities lawyer. I had very
09:18:55 25 little knowledge about how the SEC worked. And so

09:19:02 1 part of -- certainly part of the education of how
2 the SEC worked and the significance of who was in
3 the room for various meetings would have come from
4 conversations with counsel.

09:19:14 5 Q. Okay.

6 MR. TENREIRO: Can we take a look
7 at Exhibit 51, please?

8 (Whereupon, exhibit is presented
9 and marked SEC Garlinghouse Exhibit 51
09:19:22 10 for identification.)

11 MR. TENREIRO: Here's to you,
12 Matt, and then the rest down there. One
13 for Bridget, please.

14 BY MR. TENREIRO:

09:20:00 15 Q. All right. So I'm going to just read
16 into the record while you take a look at the
17 exhibit, Mr. Garlinghouse. This is BG-51, Bates
18 RPLI_SEC 235167. It appears to be an email of
19 November 11, 2018, from Mr. Garlinghouse.

09:20:21 20 Do you see all that?

21 A. I do.

22 Q. Okay. And it appears to be addressed to
23 a [REDACTED], is that correct?

24 A. Yes.

09:20:30 25 Q. Who is that?

09:20:34 1 A. [REDACTED] is a friend of Chris
2 Larsen's.

3 Q. But what does he do in life?

4 A. I don't know exactly. I know he's been
09:20:41 5 a very successful businessman.

6 Q. Why did you send him this email?

7 A. Can I read the email first?

8 Q. Yeah. Oh, I thought you had. I'm
9 sorry.

09:21:02 10 A. No.

11 (Pause)

12 A. Okay.

13 Q. Why did you send him this email?

14 MR. SOLOMON: Objection to form.

09:21:50 15 A. I don't recall.

16 Q. Did Mr. Larsen ask you to send this
17 email?

18 MR. SOLOMON: Objection to form.

19 A. I don't recall.

09:21:57 20 Q. The subject is "Notes for Eli."
21 Who is Eli?

22 A. I believe Eli -- well, I'm not a hundred
23 percent sure. I believe Eli is Secretary
24 Mnuchin's Chief of Staff.

09:22:12 25 Q. Was, right? Back then.

09:22:15 1 A. Yeah.

2 Q. Okay.

3 A. Well, actu -- I don't know.

4 Q. Why -- why were you sending notes for
09:22:19 5 Eli?

6 A. Maybe can you clarify the question a
7 little bit?

8 Q. Yeah.

9 Why were you sending [REDACTED] notes
09:22:30 10 for Eli?

11 A. My recollection is that [REDACTED] has
12 a personal relationship with Mnuchin, with the
13 then-sitting Secretary Mnuchin. And in an effort
14 to, you know -- my understanding is that the Chief
09:22:46 15 of Staff to the Secretary of the Treasury might be
16 a facilitator of things that the Secretary might
17 choose to engage or not engage in.

18 Q. Okay. Was one of the purposes to see if
19 he might engage in statements about the regulatory
09:23:04 20 status of XRP?

21 MR. SOLOMON: Objection to form.

22 A. I don't recall. I obviously read the
23 email, but I don't recall.

24 Q. Okay. The email -- let's -- let's go
09:23:15 25 through it.

09:23:16 1 You say "As briefly discussed, my
2 meetings in D.C. went very well and I continue to
3 gather evidence that the SEC (and those tangential
4 to the SEC) do Not" -- and "not" is capitalized --
09:23:28 5 "believe that XRP is a security."

6 Do you see that?

7 A. I do see that.

8 Q. Who are you talking about there? What
9 evidence are you referring to? Let's start with
09:23:36 10 that.

11 A. I guess the first thing, I think the
12 absence of anyone saying that they view XRP as a
13 security, to me, would be evidence that they don't
14 view XRP as a security.

09:23:50 15 Q. Any other evidence?

16 A. As I testified earlier, I think my
17 conversations with Roisman -- I mean, I don't
18 remember the -- the exact time frame of -- it's
19 been years. I remember certain nuggets of my
09:24:03 20 conversation with Commissioner Roisman. As I
21 mentioned, I don't particularly recall my meeting
22 with Commissioner Pierce. Based upon her other
23 public statements, it certainly is reasonable in
24 my mind to imagine that I left those meetings, as
09:24:25 25 I describe here, that I feel they went very well

09:24:33 1 and felt like good news.

2 Q. Let's situate -- let's look at 49 just
3 so we can have some timing.

4 (Whereupon, exhibit is presented
09:25:04 5 and marked SEC Garlinghouse Exhibit 49
6 for identification.)

7 MR. TENREIRO: All right.

8 BY MR. TENREIRO:

9 Q. I'm just going to -- I'm not going to
09:25:11 10 spend any time on this, but I just want you to
11 take a look because it seems to reference the date
12 of your meeting with Commissioner Pierce. This is
13 BG-49 which is an email, RPLI_SEC 766852.

14 And just take a look -- have you read
09:25:35 15 the email?

16 A. I have.

17 Q. Okay. Do you have -- you're probably
18 not going to remember the exact date of your
19 meeting with Commissioner Pierce, do you?

09:25:42 20 A. No.

21 Q. Okay. Do you have any reason to believe
22 it was not on or around November 9th, 2018?

23 A. No.

24 Q. Okay. And who is [REDACTED], by the
09:25:49 25 way?

09:25:50 1 A. She was my executive assistant at the
2 time.

3 Q. Okay. And you see this email, Exhibit
4 49, references Mr. Roscoe?

09:25:56 5 A. Yes.

6 Q. Does that refresh your memory as to
7 whether Mr. Roscoe also helped you procure the
8 meeting with Commissioner Pierce?

9 A. It doesn't refresh my memory. Obviously
09:26:04 10 I see what the email says.

11 Q. Okay. All right.

12 So back to Exhibit 51, which is a
13 November 11th email -- and I'm going to get you
14 the date of the Roisman meeting in a second.

09:26:19 15 Okay. My understanding is that it was also on the
16 9th, the same day.

17 Do you recall if you met with both of
18 them on the same day?

19 A. I don't recall.

09:26:27 20 Q. Okay. Any reason to believe that that
21 is not true?

22 A. No reason to believe that.

23 Q. Okay. So back to Exhibit 51. We're
24 talking -- I was asking you what evidence you had

09:26:39 25 gathered. Can you -- I'm sorry. I'm going to ask

09:26:41 1 you just repeat, please. Can you repeat for me
2 what evidence you had gathered that you're
3 referencing in this email?

4 A. Yeah. I think my earlier testimony was
09:26:49 5 that the -- you know, if you have lots of meetings
6 with the SEC and no one says that XRP is a
7 security, or even at that point no one said they
8 think it is a security, the absence of that
9 information would certainly be a -- I view a
09:27:04 10 positive.

11 Q. Okay. Any other evidence that you have
12 gathered?

13 A. Well, as I -- I testified earlier, my --
14 my recollection from -- my recollections from my
09:27:13 15 meeting with Commissioner Roisman were more
16 specific in his viewpoints that he did not view
17 XRP as a security. And I remember him apologizing
18 that I felt like I needed to even come meet with
19 him.

09:27:25 20 Q. Are you referencing any other evidence?

21 A. I don't recall other evidence.

22 Q. Okay. And then you say "and those
23 tangential to the SEC." That's in the
24 parenthetical.

09:27:39 25 Do you see that?

09:27:39 1 A. I do see that it's a parenthetical.

2 Q. Who are you referring to as "those
3 tangential to the SEC"?

4 A. I do not recall.

09:27:51 5 Q. Okay. Further down you say "I've
6 outlined some key bullets that I believe capture
7 the major points for outreach to Eli."

8 Do you see that?

9 A. I do see that.

09:28:00 10 Q. Okay. So I'll get to the bullets in a
11 minute, but is it fair to -- am I correct in
12 understanding that you were transmitting proposed
13 sort of bullet points or ideas that [REDACTED]
14 could decide to transmit to -- to Eli?

09:28:12 15 MR. SOLOMON: Objection to form.

16 Q. Is that what -- what's going on here?

17 MR. SOLOMON: Objection to form.

18 A. That's my interpretation of what's going
19 on here, yes.

09:28:18 20 Q. Do you have any reason to believe that
21 that's not what happened?

22 A. No.

23 Q. Okay. Well, that's not --

24 A. Actually, I have no idea what happened,
09:28:23 25 just to be clear. I know I sent an email as

09:28:25 1 evidenced here. I don't recall sending the email.
2 But I have no idea what happened after [REDACTED]
3 received the email.

4 Q. Right.

09:28:33 5 So, for example, you don't know if he
6 did or did not contact the Chief of Staff of the
7 Secretary of the Treasury?

8 A. Correct.

9 Q. Okay. Did you ever speak to the
09:28:40 10 Secretary of the Treasury about XRP?

11 A. Yes.

12 Q. Okay. When?

13 A. I don't recall. Around this time frame.

14 Q. Did he express any views as to the
09:28:50 15 status of the XRP under the securities laws?

16 A. I don't recall.

17 Q. Did his Chief of Staff, Eli? I don't
18 remember his last name. I apologize.

19 A. Miller maybe? I don't remember. I
09:29:02 20 don't recall.

21 Q. Okay. All right. So you don't know if
22 [REDACTED] sent these talking points or conveyed
23 the talking points, but -- to Eli, but you did
24 talk to Eli or the Secretary of the Treasury at
09:29:14 25 some point?

09:29:14 1 MR. SOLOMON: Objection to form.

2 A. Yes.

3 Q. Okay. Did you convey to them what --
4 the evidence that you had gathered about the SEC's
09:29:23 5 views of XRP under the securities laws?

6 A. I don't recall. I think it's unlikely I
7 would have taken that approach in a meeting with
8 the Secretary of the Treasury. My recollection is
9 a meeting with the Secretary of the Treasury, as
09:29:35 10 my meetings with other senior officials at
11 governments around the world, is usually to talk
12 about what Ripple is doing as a company, how we
13 use XRP in our technology stack, how...

14 You know, one thing I do recall from
09:29:48 15 that meeting is there are -- a number of those
16 people at the meeting with the Secretary of the
17 Treasury, and there was a particular interest in
18 how crypto flows could or could not be used to
19 circumvent regulatory -- financial regulations in
09:30:08 20 ways that, you know, could be used for terrorist
21 financing and things like that.

22 Q. This evidence that you were gathering
23 that's referenced in this email, did you convey it
24 to any other government official in the United
09:30:24 25 States?

09:30:25 1 A. I don't recall.

2 Q. Did you convey it to any Ripple
3 employee?

4 A. I don't recall.

09:30:30 5 Q. Did you convey it to anybody?

6 A. Apparently I did.

7 Q. Other than -- other than [REDACTED].

8 A. I don't recall.

9 Q. Okay. Did -- in your meetings with the
09:30:41 10 commissioners, did the commissioners or their
11 staff, you know, tell you not to discuss publicly
12 the conversations you had with them?

13 A. I don't recall.

14 Q. Did the commissioners or their staff
09:30:52 15 warn you not to talk about the SEC's
16 investigation?

17 A. No.

18 Q. Okay.

19 A. Again, I will reiterate earlier
09:31:00 20 testimony. I -- at that point I certainly did not
21 view what -- the SEC's engagement with Ripple to
22 be an investigation.

23 Q. At what point did you start to view this
24 as an investigation?

09:31:11 25 A. I don't know. I don't recall.

09:31:14 1 Certainly in 2020 it reached that point in my
2 mind.

3 Q. Okay. You don't recall the point. It
4 could have been in 2019?

09:31:22 5 A. Could have. I don't recall.

6 Q. Okay. Okay. So you say -- sorry.
7 "Those tangential to the SEC," who are you
8 referring there to again?

9 MR. SOLOMON: Objection; asked

09:31:40 10 and answered.

11 A. I don't recall.

12 Q. You don't recall. Okay. All right.

13 The third bullet point says "Brad
14 Garlinghouse, Ripple's CEO, has met with SEC Chair
09:32:03 15 Clayton, Commissioners Roisman and Pierce to
16 discuss the above and the Ripple team has had
17 several meetings with SEC staff. All indications
18 have been that they do not believe XRP is a
19 security."

09:32:11 20 Do you see that?

21 A. I do.

22 Q. Who does "they" refer to in that
23 sentence?

24 A. I -- I -- I don't believe that I wrote
09:32:25 25 the sentence. I think that the sentence seems to

09:32:28 1 be referring to all of the people referred to in
2 the previous sentence.

3 Q. Who wrote the sentence?

4 A. I don't know.

09:32:37 5 MR. TENREIRO: Let's look at
6 Exhibit 50, please.

7 (Whereupon, exhibit is presented
8 and marked SEC Garlinghouse Exhibit 50
9 for identification.)

09:32:56 10 MR. TENREIRO: Here you go.

11 MR. SOLOMON: Thank you.

12 MR. TENREIRO: All right. I'm
13 just going to read into the record while
14 Mr. Garlinghouse takes a look. This is a
09:33:18 15 two-page email, RPLI_SEC 626652.

16 BY MR. TENREIRO:

17 Q. Do you -- do you see this appears to be
18 an email from you to Mr. Larsen on November 11th,
19 2018?

09:33:32 20 A. Yes.

21 Q. Okay. And you tell Mr. Larsen you're
22 planning to send [REDACTED] these points later
23 today.

24 Do you see that?

09:33:39 25 A. Yes, I do see that.

09:33:40 1 Q. Okay. And it says "I've outlined some
2 key bullets that I believe capture the major
3 points for outreach to Eli."

4 Do you see that?

09:33:49 5 MR. SOLOMON: Did you read the
6 email?

7 THE WITNESS: Yeah, let me just
8 do a quick, full read of it. Sorry.

9 (Pause)

09:34:22 10 A. Okay. Can you repeat the question,
11 please?

12 Q. Yes.

13 Do you see the part of the email that
14 says "I've outlined some key bullets that I
09:34:28 15 believe capture the major points for outreach to
16 Eli"?

17 A. Yes.

18 Q. Okay. Does that refresh your
19 recollection that you did, in fact, write these
09:34:36 20 bullets?

21 A. Certainly no.

22 Q. Okay. Do you have any reason to
23 believe, though, that what you told Mr. Larsen in
24 your email, where you say "I've outlined some key
09:34:43 25 bullets" is not true?

09:34:44 1 A. Yes.

2 Q. What is the reason?

3 A. I -- I think my experience in how I work
4 with my team is that somebody on my team probably
09:34:50 5 put these together.

6 Q. Okay.

7 A. I -- I use the pronoun "I" in talking
8 about work that my team does. I take credit for
9 their work all the time.

09:35:00 10 Q. Got it. Got it.

11 So, in fact, you took credit for these
12 bullets?

13 A. Yes.

14 Q. All right. And you read them, right?

09:35:05 15 A. I think it's almost certain that I would
16 have read them, yes.

17 Q. Okay. And you -- all right.

18 So going back to Exhibit 51, my question
19 was the third bullet talks about "All indications
09:35:19 20 have been that they do not believe that XRP is a
21 security." I asked you who "they" referred to.
22 And you said "I don't believe that I wrote the
23 sentence. I think that the sentence seems to be
24 referring to all of the people referred to in the
09:35:31 25 previous sentence."

09:35:35 1 So is it your understanding that "they"
2 means the SEC staff, SEC Chair Clayton,
3 Commissioners Roisman and Pierce? Is that your
4 testimony?

09:35:42 5 A. Yes.

6 Q. Okay. And on what basis did you have a
7 belief that all of those people did not believe
8 that XRP was a security?

9 A. Given the opportunity, none of them
09:35:54 10 chose to express to me they did believe XRP was a
11 security.

12 Q. Anything else?

13 A. As I've already testified, I think I do
14 have some recollections today of my conversations
09:36:02 15 with Roisman. I don't recall anything specific in
16 my conversations with Commissioner Pierce and I
17 only had one meeting with Chair Clayton.

18 So sitting here today, I can't recall
19 other reasons why I may have said that.

09:36:21 20 Q. Is there any document that might help
21 refresh your memory with respect to any other
22 reasons why you may have said this?

23 A. I don't recall.

24 Q. To the extent that your staff is the one
09:36:31 25 who wrote these bullet points, what information

09:36:33 1 did you give your staff so that they were able to
2 write a bullet point saying that all indications
3 have been that they do not believe XRP is a
4 security?

09:36:41 5 A. I probably had contemporaneous verbal
6 conversations to debrief on various meetings.

7 MR. SOLOMON: Would the SEC's
8 notes of these meetings refresh your
9 recollection perhaps?

09:36:51 10 THE WITNESS: If the SEC has
11 notes about these meetings, that would be
12 super helpful.

13 BY MR. TENREIRO:

14 Q. Wait a second. Wait a second. I'm not
09:36:57 15 talking about the meetings between the SEC. I'm
16 talking about your meetings with your staff first.
17 That's what I'm talking about.

18 A. Okay.

19 Q. I would hope the SEC does not have notes
09:37:03 20 of those meetings.

21 Do you have notes of those meetings,
22 though?

23 A. No.

24 Q. Okay. Do you have recordings of those
09:37:08 25 meetings?

09:37:08 1 A. No.

2 Q. Okay. So you're saying these meetings
3 were in person?

4 A. I believe you told me those meetings
09:37:12 5 were in person.

6 Q. No. I'm talking about your meetings
7 with your staff, Mr. Garlinghouse.

8 A. Oh, I apologize.

9 Q. Were the --

09:37:18 10 A. Let me -- yeah, let me back up. I think
11 I misunderstood a number of those questions.
12 Maybe we should rewind for a moment.

13 Q. Let's rewind. I think you were telling
14 me that your staff might have drafted these bullet
09:37:29 15 points and I'm asking you what information you
16 gave them so that they were able to draft the
17 bullet points. And so I think you said,
18 generally, that you had meetings with them and I'm
19 trying to understand where, when, how these
09:37:43 20 meetings occurred.

21 MR. SOLOMON: Objection.

22 Q. So were these meetings in person?

23 MR. SOLOMON: Objection.

24 A. So let me rewind just so I now have
09:37:52 25 clarification of the questions you're asking.

09:37:53 1 I expect, based upon my behaviors of how
2 I would operate, is after I left the meeting, I
3 would probably --

4 Q. Sir, I'm going to stop you. The meeting
09:38:02 5 with the SEC?

6 A. Correct.

7 Q. Okay.

8 A. Well, with members of the SEC.

9 Q. Uh-huh.

09:38:06 10 A. I would have had a verbal conversation,
11 a telephone call, to debrief about, hey, just had
12 this meeting. Here's how it went. Here's a
13 couple bullets about it.

14 Q. And who would that conversation have
09:38:20 15 been with?

16 A. I mean, amongst others, it would have
17 included general counsel. I -- I don't recall.

18 Q. After your meeting with Commissioner
19 Roisman, who did you debrief?

09:38:33 20 A. I don't recall.

21 Q. Okay. Mr. -- Commissioner Roisman
22 telling you his views that XRP was not a security
23 and apologizing to you, I think you described that
24 as -- as significant. I think you said all the
09:38:44 25 meetings were significant, is that right?

09:38:45 1 A. I did view all of the meetings with the
2 SEC as significant.

3 Q. Okay. So did you ask -- did you
4 memorialize that anywhere in writing, what he told
09:38:53 5 you?

6 A. I don't recall.

7 Q. Did you ask anyone to memorialize it in
8 writing?

9 A. I don't recall.

09:38:58 10 Q. Okay. So can you tell me which of your
11 staff members wrote the drafts of these bullet
12 points?

13 A. I don't recall.

14 Q. Would they have taken notes --

09:39:11 15 A. Just to clarify, I believe my testimony
16 was I don't recall who wrote these bullets. I'm
17 not saying definitively I didn't or did. I'm just
18 saying my experience is it's unlikely I wrote
19 these bullets.

09:39:23 20 Q. To the extent that you did not, which of
21 your staff members would have, you know, given
22 past practice?

23 A. I don't recall.

24 Q. Well, just give me a list of staff
09:39:30 25 members that wrote bullets for you.

09:39:32 1 MR. SOLOMON: For the entire time
2 he was at --

3 MR. TENREIRO: Yeah.

4 A. I mean, all of my direct reports at one
09:39:37 5 point or another would have drafted bullets for
6 me.

7 Q. Okay. Would your assistants have
8 drafted bullets for you, your administrative
9 assistants?

09:39:45 10 A. Probably not.

11 Q. Okay. So when you talk about your
12 direct reports, you're talking, for example,
13 Ms. Long, as one example?

14 MR. SOLOMON: Objection.

09:39:52 15 A. Yes, that would be one example.

16 Q. Mr. Schwartz was not your direct report,
17 at least in 2017?

18 MR. SOLOMON: Objection to form.

19 A. I don't recall when Mr. Schwartz started
09:39:59 20 reporting to me, but he would not have been
21 someone who is likely to have written bullets for
22 me.

23 Q. Mr. Griffin was a direct report?

24 A. Mr. Griffin in 2017 would have been a
09:40:11 25 direct report, yes.

09:40:12 1 Q. Okay. So is there anything other than
2 the absence of statements and the conversation
3 with Commissioner Roisman upon which you base all
4 indications that the staff and these commissioners
09:40:27 5 do not believe XRP is a security?

6 MR. SOLOMON: Objection; asked
7 and answered.

8 A. I don't recall.

9 Q. Okay. The next bullet says "Ripple is
09:40:44 10 seeking from the SEC to proactively make a
11 statement that XRP is not a security."

12 Do you see that?

13 A. Yes.

14 Q. Was that true at that time?

09:40:53 15 A. I -- I don't recall, but I believe it to
16 be true based upon what's written here.

17 Q. And then it references a speaking
18 engagement that the Chair had, a coming speaking
19 engagement in New York. And a statement -- you
09:41:06 20 make a statement -- or the bullet makes a
21 statement about the opportune time for him to make
22 a statement such as "we continue to look carefully
23 at this developing landscape," et cetera.

24 Do you see that?

09:41:15 25 A. I do see that.

09:41:16 1 Q. Okay. Did the Chair make this statement
2 at that public engagement?

3 A. Not that I'm aware of.

4 Q. Okay. Did -- is -- was one of the
09:41:24 5 purposes of this email to [REDACTED] to suggest a
6 way in which to convince Clayton to make the
7 statement?

8 A. Could you repeat the question?

9 Q. Yeah.

09:41:36 10 Was the purpose -- was one of the
11 purposes of this email to sort of see if
12 [REDACTED] could help in outreach to the Chair so
13 that he would make that statement on the public
14 engagement?

09:41:48 15 MR. SOLOMON: Objection to form.

16 Q. Perhaps to Eli or the Secretary of the
17 Treasury, but...

18 MR. SOLOMON: Objection to form.

19 A. I believe so.

09:41:57 20 Q. Okay. Okay. Did -- did anyone at the
21 SEC proactively make a statement that XRP is not a
22 security after this date, as you describe it here?

23 A. Not that I'm aware of.

24 Q. Okay. Why did you want the SEC to
09:42:10 25 make proactively --

09:42:10 1 MR. SOLOMON: A -- a -- a public
2 statement?

3 THE WITNESS: Oh, that's an
4 excellent clarification.

09:42:14 5 MR. SOLOMON: No, I'm asking what
6 the question was.

7 MR. TENREIRO: Well, I said
8 statement.

9 BY MR. TENREIRO:

09:42:17 10 Q. Let's start with public.

11 A. I'm unaware of a public statement.

12 Q. Okay. And private?

13 A. After --

14 Q. I'm talking about after this.

09:42:26 15 A. Sorry. Not of which I'm aware.

16 Q. Okay. All right. Why did Ripple want
17 the Chair to make this statement?

18 A. In making a statement about the status
19 of bitcoin -- at the time that -- I believe at the
09:42:48 20 time that Director Hinman made an affirmative
21 statement about the status of ETH, I believe XRP
22 was the second-most valuable digital asset ahead
23 of ETH.

24 In making this clarification and
09:43:02 25 statement, it was ETH performed better in the

09:43:11 1 markets and became more valuable than XRP. Many
2 people in the XRP community were concerned about
3 the lack of clarity, including myself, and felt
4 that it was -- given the clarity that had been
09:43:29 5 provided to bitcoin and Ether and given that XRP
6 was one of the most important and valuable and
7 liquid digital assets, we felt that it was only a
8 step of responsibility -- to the extent the SEC's
9 mission is around orderly markets, I felt like the
09:43:51 10 SEC should seek to provide that clarity.

11 Q. I -- I -- my question, though, is why
12 did Ripple want the Chair to make the statement?
13 Maybe the answer's in there and I just didn't
14 understand. Why did the -- why would Ripple want
09:44:08 15 the Chair to make the statement?

16 A. Ripple is one stakeholder, and an
17 important stakeholder, in the XRP ecosystem. To
18 the extent that -- that public statements from the
19 SEC had not provided clarity -- and, in fact, some
09:44:25 20 would argue had actually added to confusion in the
21 crypto landscape -- we sought to provide that
22 clarity.

23 Q. Okay. And why did you seek to provide
24 that clarity?

09:44:38 25 A. I think a community's interest in having

09:44:41 1 clarity about the laws in which they operate is
2 useful.

3 Q. For what purpose?

4 A. To follow the law.

09:44:47 5 Q. Okay. Anything else or any other
6 purpose?

7 A. That would be the most important one, I
8 think.

9 Q. And you said "in making this
09:44:59 10 clarification and statement, ETH performed better
11 in the markets."

12 Are you talking about -- what are you
13 talking about that it performed better? Its price
14 went up?

09:45:09 15 A. I -- to be fair, I don't remember
16 exactly. At various times XRP has been by market
17 capitalization the second-most valuable digital
18 asset. I was making an observation that there are
19 three -- at the time there were three that were
09:45:24 20 kind of above the rest of the noise in the crypto
21 market. The SEC had provided clarity about two of
22 those top three and not provided clarity about the
23 third.

24 It's apparent, I believe, that Director
09:45:37 25 Hinman and Chair Clayton wanted to provide that

09:45:42 1 clarity around bitcoin and ETH, presumably,
2 because there wasn't clarity. They made a public
3 statement. They provided that clarity. That
4 helps market participants in those -- those that
09:45:56 5 choose to participate in trading those digital
6 assets, speculating on those digital assets, to
7 provide that clarity.

8 The absence of that clarity around XRP,
9 which at the time was second or third in terms of
09:46:09 10 overall value in liquidity, seemed like it was
11 only in the market's interest, and I would assume
12 the SEC's interest, to provide that clarity.

13 Q. When you say, though, X -- you said in
14 your prior answer, X -- XRP was one of the most
09:46:23 15 important assets.

16 How did you measure that importance?
17 Was it market --

18 A. Liquidity and market cap.

19 Q. Okay. And market cap is measured by the
09:46:31 20 price and the units outstanding?

21 A. That's how I calculate market cap.

22 Q. I understand there's -- we'll probably
23 get to this later. I understand you had some
24 conversations with people about whether the market
09:46:42 25 cap was based on the number of units that had been

09:46:46 1 created or the number of units that were in the
2 market.

3 But setting aside that sort of debate,
4 how do you measure market cap?

09:46:55 5 A. I -- I was making a macro general
6 observation. Regardless of how you measure market
7 cap --

8 Q. Right.

9 A. -- actually, let me just answer your
09:47:04 10 question. How do I measure market cap? Yes, I
11 measure market cap by multiplying price by number
12 of units.

13 Q. Okay.

14 MR. SOLOMON: When you're done
09:47:11 15 with this line of questioning, whenever
16 that is, it probably would be a good time
17 to take a break.

18 MR. TENREIRO: Oh, okay. Yeah.

19 MR. SOLOMON: There's no --
09:47:16 20 whenever you're done.

21 MR. TENREIRO: Just one -- one or
22 two more questions.

23 BY MR. TENREIRO:

24 Q. Okay. So -- so when you were saying
09:47:20 25 that XRP was one of the most important assets, the

09:47:26 1 measure of importance is the market cap or is
2 there any other measure?

3 A. I think my testimony was I -- in my mind
4 there's multiple measures. I think my testimony
09:47:34 5 was liquidity and market cap were two things that
6 make digital assets more prominent than others.

7 Q. And so are you saying that XRP was one
8 of the most liquid digital assets at that time?

9 A. Yes, I believe so.

09:47:46 10 Q. Okay. In the top three?

11 A. I believe so.

12 Q. Okay. And just -- again, I'm trying to
13 understand. When Hinman -- when Director Hinman
14 made statements about ETH, you -- your view was
09:48:01 15 that ETH performed better in the markets and
16 became more valuable than XRP.

17 So are you referring there to the market
18 cap? to the price? What were you referring to
19 there that it became more valuable than XRP?

09:48:13 20 A. Well, I'm probably referring to the same
21 components that I was referencing earlier. It
22 probably became more liquid. It probably became
23 more valuable in price.

24 Q. Okay. And how do you measure liquidity?

09:48:24 25 A. I tend to use CryptoCompare or

09:48:28 1 CoinMarketCap as reporting mechanisms for overall
2 liquidity in the crypto landscape.

3 Q. Does it have -- do those have a page
4 that report liquidity?

09:48:39 5 A. Yes.

6 Q. Okay.

7 A. Actually -- yes.

8 Q. What -- what -- what measure -- what's
9 the -- what's the measure for liquidity that they
09:48:45 10 use?

11 MR. SOLOMON: Are you talking
12 about today?

13 MR. TENREIRO: Sure. Today.

14 A. Dollar volume.

09:48:51 15 Q. Volume is a measure for liquidity?

16 A. Yeah.

17 Q. Okay. That's -- your understanding of
18 liquidity is volume?

19 A. One measure of liquidity is trading
09:49:02 20 volume.

21 Q. Why don't you tell me what your
22 understanding of liquidity in the market means.

23 A. I believe that liquidity in a market
24 from my point of view is -- one of the measures is
09:49:18 25 how much is trading.

09:49:20 1 Q. And you don't understand that to be
2 volume?

3 A. I think I just said that. I apologize.
4 Yes, I understand that to be volume.

09:49:28 5 Q. So liquidity and volume are the same?

6 MR. SOLOMON: Objection.

7 A. I think my testimony was I think one
8 important input into liquidity is volume.

9 Q. Okay. Do you understand liquidity to be
09:49:38 10 the existence of willing buyers and the existence
11 of willing sellers?

12 MR. SOLOMON: Objection to form.

13 A. I think that's a fair description.

14 Q. Okay. Where did you derive your
09:49:47 15 understanding of what liquidity in the market
16 means?

17 A. I don't recall.

18 Q. Did you have experience in financial
19 markets before you joined Ripple?

09:49:56 20 A. I mean, frankly, it depends how you
21 define financial markets, I guess.

22 Q. What --

23 A. I was an active trader in public
24 securities. I had spent time at venture capital
09:50:08 25 firms. I received my MBA from Harvard. So I -- I

09:50:15 1 felt educated about generally how markets work and
2 how to think about liquidity.

3 Q. Okay.

4 MR. TENREIRO: Why don't we take
09:50:26 5 a break.

6 THE VIDEOGRAPHER: Okay. Going
7 off the record at 9:51.

8 (Whereupon, a recess is taken.)

9 THE VIDEOGRAPHER: Okay. Back on
10:09:13 10 the record, 10:10.

11 Go ahead.

12 MR. TENREIRO: Okay. Thank you.

13 BY MR. TENREIRO:

14 Q. Mr. Garlinghouse, who is [REDACTED]?

10:09:23 15 A. [REDACTED] in the context of Ripple is
16 a -- I guess simplistically defined as a legal
17 advisor.

18 Q. Okay. Outside of the context of Ripple,
19 who is he?

10:09:39 20 A. I certainly don't know that I can do a
21 robust job of biography, but I believe he's been a
22 practicing criminal attorney and teaches law at
23 [REDACTED] in some construct. He also, I
24 think, is a legal advisor employed by [REDACTED]

10:09:56 25 [REDACTED].

10:09:58 1 Q. Okay. And so in the context of Ripple,
2 you said he's a simplistically defined legal
3 advisor?

4 A. I think that's a fair characterization,
10:10:06 5 yes.

6 Q. When was he hired as a legal advisor?

7 A. Sometime in the summer of 2018.

8 Q. Who decided to hire him?

9 A. I'd say Chris Larsen decided to hire
10:10:21 10 him.

11 Q. For what purpose was he hired?

12 MR. CERESNEY: I'm going to
13 instruct the witness to answer at a high
14 level and not to get into any details.

10:10:31 15 A. To be a legal advisor.

16 Q. Was he advising with -- was he supposed
17 to advise with respect to the federal securities
18 laws?

19 A. I would say he was advising on all
10:10:43 20 matters associated with reg -- the SEC's -- yes, I
21 guess. Yes, I should say. Yes.

22 Q. The SEC's what?

23 A. I don't know what I was going to say so
24 I stopped.

10:10:58 25 Q. That's okay.

10:10:59 1 So he was advising on all matters
2 related to the SEC?

3 A. And others.

4 Q. What are the others?

10:11:09 5 A. I think that would definitely encroach
6 on attorney-client privilege.

7 Q. No, I'm not asking you to -- I'm asking
8 you, was he advising you with respect to labor
9 law?

10:11:17 10 A. He may have. I don't recall
11 specifically.

12 Q. Okay. What other subject areas of law
13 was he a legal advisor for?

14 A. I --

10:11:31 15 MR. CERESNEY: Hold on. Hold on.
16 You know, I want to be sensitive here. He
17 was a legal advisor to the company. He
18 was retained as a lawyer. He's already
19 said he's -- he's advised the company in
10:11:44 20 connection with the SEC.

21 What else is relevant to this
22 proceeding?

23 MR. TENREIRO: I don't think
24 there's a relevance issue here. I'm just
10:11:51 25 asking what he was retained --

10:11:53 1 BY MR. TENREIRO:

2 Q. Was there a retention letter?

3 A. I don't recall.

4 Q. Okay. Did -- so Mr. Larsen made the
10:12:00 5 decision to hire him. Did you have to approve the
6 decision or...?

7 A. I implemented the decision.

8 Q. Okay. How did you implement it?

9 A. He was compensated, and by virtue of
10:12:14 10 being compensated, he -- his engagement with the
11 company needed to be implemented and to some
12 degree integrated into our operational -- you
13 know, he hears legal matters of which we would
14 seek his counsel.

10:12:33 15 Q. Okay. So you don't recall if there was
16 a retention letter but there was some
17 compensation?

18 A. I would --

19 MR. SOLOMON: Objection to form.

10:12:41 20 A. I believe there's likely some sort of
21 engagement letter with [REDACTED] I don't recall
22 specifically.

23 Q. Okay. Let's take a look at Exhibit 53,
24 please.

10:12:50 25 (Whereupon, exhibit is received

10:12:50 1 and marked Garlinghouse Deposition
2 Exhibit 53 for identification.)

3 BY MR. TENREIRO:

4 Q. While they pull it up, was he on
10:12:59 5 Ripple's board at any time?

6 A. Board of directors?

7 Q. Uh-huh.

8 A. No.

9 Q. And do you know -- do you know who
10:13:12 10 Mr. [REDACTED] is? [REDACTED]

11 MR. CERESNEY: Do we have --

12 MR. TENREIRO: One second.

13 A. I do not.

14 Q. Okay. That's fine.

10:13:23 15 All right. Here we go, 53. And this is
16 a multipage email with Bates 971415, RPLI. Most
17 of it is redacted. The front page is what I'm
18 going to ask you about.

19 A. Okay.

10:13:47 20 Q. This appears to be an email from you on
21 December 13, 2018, to [REDACTED] and Monica
22 Long. Subject "Re: Clayton."

23 Do you see that?

24 A. Yes.

10:13:59 25 Q. Who is [REDACTED]?

10:14:02 1 A. [REDACTED] --
2 MR. SOLOMON: Did you read the
3 email?
4 THE WITNESS: I have not read the
10:14:05 5 email.
6 Q. Oh. Read it, please.
7 THE WITNESS: I thought I --
8 MR. SOLOMON: Sorry. Sorry.
9 Yeah. Just read it. Everything he hands
10:14:10 10 to you, just read it first.
11 THE WITNESS: Okay.
12 A. Okay. [REDACTED] is currently SVP
13 of communications and people at Ripple.
14 Q. And what about around the time of the
10:14:55 15 email, December 18 -- December 2018?
16 A. I don't know when she became a full-time
17 employee top of mind. Prior to Ripple, she was a
18 principal at a public relations firm -- a public
19 relations firm called [REDACTED] and Ripple used [REDACTED]
10:15:17 20 as our outside PR firm.
21 Q. Okay. And when did you meet her?
22 A. Oh, my gosh. I met [REDACTED] in 2004
23 probably.
24 Q. Under what circumstances?
10:15:34 25 A. We both worked at [REDACTED]

10:15:36 1 Q. Okay. Here she refers to [REDACTED]
2 Do you see that?
3 A. I do see that.
4 Q. And what is [REDACTED]
10:15:42 5 A. I do not know.
6 Q. The [REDACTED] website?
7 A. I have no idea.
8 Q. Okay. It says "An update here on
9 outreach and plan of attack. I've reached out to
10:15:56 10 both [REDACTED] (reporter and his editor) to correct the
11 below. They are in Hong Kong so we're also
12 tracking down phone numbers so I can follow up
13 with a phone call."
14 Do you see all that?
10:16:06 15 A. Yes.
16 Q. And then there's a reference to [REDACTED]
17 and there's a request to correct some -- something
18 or -- as well.
19 Do you see all that?
10:16:16 20 A. Yes.
21 Q. What is she trying to correct?
22 A. I don't recall.
23 Q. Okay. The subject of the email is "Re:
24 Clayton."
10:16:24 25 Do you see that?

10:16:24 1 A. Yes.

2 Q. Okay. Was there a -- was there a point
3 in time where Ripple became aware that there might
4 be a publication claiming that the SEC had

10:16:36 5 determined that XRP was a security and sought
6 to -- and sought to correct that publication?

7 A. I don't recall.

8 Q. Okay. It says "We're also drafting a
9 suggested tweet for Brad to post."

10:16:50 10 Do you see that?

11 A. I do see that.

12 Q. Okay. Did you make a tweet after the
13 draft reflected in this email?

14 A. I don't recall.

10:17:01 15 Q. Okay. And did [REDACTED] --

16 [REDACTED] frequently draft tweets for you to
17 make?

18 A. Depends how you define "frequently."
19 And I don't recall in 2018 how frequently that may
10:17:15 20 have happened.

21 Q. Did others at Ripple draft tweets for
22 you to make while you were CEO of Ripple?

23 A. While I was CEO?

24 Q. Yes.

10:17:25 25 A. Yes.

10:17:25 1 Q. And Monica Long was copied. What was
2 her role at this time?

3 A. In 2018 I believe she was SVP -- or VP
4 of marketing.

10:17:37 5 Q. Okay. Did she draft tweets for you to
6 make?

7 THE REPORTER: I'm sorry?

8 Q. Did she draft tweets for you to make
9 while you were CEO?

10:17:46 10 A. Not that I recall.

11 Q. So to the extent others at Ripple
12 drafted tweets, who would the others be?

13 [REDACTED]. Who else?

14 A. Under what period of time?

10:17:54 15 Q. While you were CEO.

16 A. So during my tenure as CEO, [REDACTED]
17 [REDACTED] would be on that list. [REDACTED] would
18 be on that list. Other people on the Ripple
19 communications team would have participated as
10:18:16 20 well.

21 Q. Did you typically, just generally
22 typically, when they drafted a tweet, did you --
23 did you actually tweet those tweets?

24 A. Sometimes.

10:18:25 25 Q. Okay. Were there times when you did

10:18:27 1 not?

2 A. Yes.

3 Q. Okay. What was the result of her
4 outreach to [REDACTED] and the reporter, the editor and
10:18:38 5 the chief tech correspondent for [REDACTED]?

6 MR. SOLOMON: Objection to form.

7 A. I don't know.

8 Q. Okay. We can set that aside, although
9 we should definitely keep the exhibits somewhere
10:18:50 10 in case we need to go back to them, but I'm done
11 with them now.

12 So, Mr. Garlinghouse, other than this
13 litigation, are you a party to any action
14 currently?

10:19:01 15 MR. SOLOMON: Do you understand
16 the question?

17 A. Yeah. Could you --

18 Q. A party in a lawsuit.

19 A. I believe, yes.

10:19:06 20 Q. What lawsuit or lawsuits?

21 A. Is -- is that a question of me
22 individually or me as CEO of Ripple?

23 Q. You in -- well, you, Mr. Garlinghouse.

24 A. Right. The distinction I'm making is
10:19:20 25 you're -- the SEC is suing Ripple. I'm the CEO of

10:19:22 1 Ripple. You're also suing me personally. I
2 believe the answer is yes.

3 Q. What lawsuit or lawsuits?

4 A. I -- I would need to get clarity from
10:19:34 5 counsel to answer that with certainty.

6 Q. Let's not -- let -- we'll use -- is
7 there a pending class action involving Ripple?

8 A. Yes.

9 Q. Okay. Are you named in that class
10:19:45 10 action?

11 A. I believe, yes.

12 Q. Okay. And was the first class -- there
13 was a series of class actions filed, correct?

14 MR. SOLOMON: Objection to form.

10:19:58 15 A. I believe that's correct.

16 Q. And consolidated into one?

17 MR. SOLOMON: Objection to form.

18 A. I believe that's correct.

19 Q. Okay. And that -- I'll just refer to it
10:20:06 20 as the class action pending in California, is that
21 right?

22 MR. SOLOMON: Objection, form.

23 A. I don't know.

24 Q. Okay. And the class action was filed
10:20:16 25 when, the first one?

10:20:18 1 A. I don't recall.

2 Q. Was there an allegation in the class
3 action that you committed fraud?

4 A. I don't recall.

10:20:28 5 Q. Okay. And the class action is filed by
6 a group of XRP holders, is that right?

7 MR. SOLOMON: Objection to form.

8 A. My vague recollection is it was filed by
9 one XRP holder to begin with and I don't know if
10:20:42 10 others have joined. I don't understand the
11 nuances of how class actions work.

12 Q. Do you have counsel that represents
13 Ripple with respect to that class action?

14 A. Yes.

10:20:56 15 Q. What's the law firm?

16 A. I don't know.

17 Q. Okay. How often do you meet with them
18 about that lawsuit?

19 A. I am not aware that I've -- I don't
10:21:07 20 recall.

21 Q. Okay. Are you, Mr. Garlinghouse,
22 represented by counsel in connection with that
23 class action?

24 A. Not to my knowledge.

10:21:13 25 Q. Okay. The class action is pending,

10:21:18 1 right?

2 A. As far as I'm aware.

3 Q. Okay. And I don't want to get into
4 advice, the substance of advice, but you've
10:21:26 5 received advice about that lawsuit, correct?

6 A. I suppose, yes.

7 Q. Ripple has received advice as well?

8 A. Yes.

9 Q. Okay. And that class action alleges
10:21:39 10 that Ripple engaged in unregistered offers and
11 sales of securities, correct?

12 MR. SOLOMON: Objection to form.

13 A. I don't know.

14 Q. Okay. And you have never moved to
10:21:51 15 dismiss that claim in the class action, correct?

16 MR. SOLOMON: Objection; form.

17 A. I don't know.

18 Q. Okay. Did Ripple continue to sell XRP
19 after that lawsuit was filed?

10:22:04 20 A. I -- I believe, yes. I don't know
21 exactly when that was filed, so if you could help
22 me with specifics, I would -- could be more
23 precise.

24 Q. I don't have the exact date, but my
10:22:11 25 understanding is the first one was filed on or

10:22:13 1 around April of 2018. And your counsel probably
2 remembers better than I do.

3 A. Then, yes.

4 Q. Okay. And did you continue to sell XRP
10:22:20 5 after that lawsuit was filed?

6 A. Yes.

7 Q. Did you rely on legal advice to do that?

8 A. I don't recall.

9 Q. Did Ripple rely on legal advice to sell
10:22:33 10 XRP after the lawsuit was filed?

11 A. I don't recall.

12 Q. Okay. Is it fair -- well, did you learn
13 of -- how did you learn of the class action
14 lawsuit?

10:22:49 15 A. I don't recall.

16 MR. SOLOMON: Objection.

17 Q. Okay. Do you recall learning of it
18 around the time it was filed?

19 MR. SOLOMON: Objection; form.

10:22:58 20 A. Or did you come to find out at some
21 point that it had been pending for months and you
22 just found out about it?

23 MR. SOLOMON: Objection; form.

24 A. I doubt that it's the latter and very
10:23:06 25 likely the former.

10:23:07 1 Q. Okay. When did you first hire
2 Mr. Ceresney?

3 A. Around the summer of 2018.

4 Q. Okay. Earlier this morning we talked
10:23:19 5 about how there was an SEC letter that either you
6 received or [REDACTED] or whomever in the late
7 spring of 2018, is that correct?

8 A. I believe that was my testimony.

9 Q. Okay. Is that the first time that you
10:23:32 10 heard about the SEC's, you know -- I call it an
11 investigation; I understand you have your own view
12 of it -- but the SEC's reach out to Ripple? Is
13 that the first time you learned of it?

14 A. Yes.

10:23:48 15 Q. Okay. And did you become aware that the
16 SEC had asked Ripple to preserve documents in
17 connection with the inquiry?

18 A. Yes.

19 Q. Okay. Did you follow these directives?

10:23:59 20 A. Yes.

21 Q. Okay. Did Ripple have a document
22 retention policy at any point in time since --
23 well, since you've been working there?

24 A. I believe so.

10:24:09 25 Q. And what is the document retention

10:24:10 1 policy?

2 A. I don't recall.

3 Q. Who drafted it?

4 A. I don't know.

10:24:19 5 MR. SOLOMON: Separate and apart
6 from any document retention policy in
7 connection with a pending litigation
8 you're asking him?

9 MR. TENREIRO: That's right.

10:24:26 10 MR. SOLOMON: Okay.

11 MR. TENREIRO: I'm going to
12 get -- Matt's in my head today and he's
13 right every time. I'm going to -- I'm
14 going to ask about that in a second.

10:24:32 15 MR. SOLOMON: Okay.

16 BY MR. TENREIRO:

17 Q. So just generally, document -- corporate
18 document retention policy, your testimony is you
19 believe there is -- there's been one at some point
10:24:40 20 in time; don't recall who drafted it.

21 Have you read it?

22 A. I expect I have.

23 Q. And when?

24 A. I don't recall.

10:24:47 25 Q. Where is it stored? Maybe I should ask,

10:24:52 1 is it a written policy?

2 A. I believe it's a written policy and I
3 would expect that it's in the employee handbook.

4 Q. And it was given to employees -- was the
10:25:05 5 employee handbook handed out to employees when
6 they begin to work the company?

7 A. Well, I guess I should clarify. When we
8 say it's written, I'm not sure that we have ever
9 printed the employee handbook. I think when
10:25:21 10 you're -- when you join the company, I believe we
11 share various things like code of conduct; like a
12 handbook that I expect would likely, to your
13 question, include a document retention policy.

14 Q. Okay. But sitting here today, you
10:25:40 15 just -- you don't -- you don't know who wrote it,
16 for example?

17 A. That's correct.

18 Q. Okay. Do you have any specific
19 recollection of the retention policy?

10:25:53 20 A. No.

21 Q. Do you know generally what the retention
22 policy says?

23 A. No.

24 Q. Okay. Now, in connection with the
10:26:04 25 lawsuit, the -- the class action lawsuit, was

10:26:06 1 there a document retention policy implemented by
2 the company?

3 A. I believe so.

4 Q. Okay. And what did it provide?

10:26:16 5 A. I don't know specifically.

6 Q. Is that in some sort of -- is that
7 documented, maybe not printed, but documented in
8 some form of, you know, electronic record?

9 A. I believe so.

10:26:24 10 Q. And where is that record stored?

11 A. I believe it's stored somewhere in
12 Ripple's data infrastructure.

13 Q. Ripple's data infrastructure? What is
14 Ripple's data infrastructure?

10:26:43 15 MR. SOLOMON: Don't guess. If
16 you know where it's stored, tell him. If
17 you don't know where it's stored, say you
18 don't know.

19 A. I don't know.

10:26:46 20 MR. SOLOMON: I don't want to
21 waste time with these questions if you
22 don't know. If you do, say so.

23 A. The -- the distinction I was making in
24 describing Ripple's data infrastructure, my

10:26:56 25 recollection is that when Ripple sends a document

10:27:01 1 hold -- when Ripple's legal team sends a document
2 hold, I believe it's in a Google Doc form and it's
3 collected as a Google form.

4 So when I describe Ripple's data
10:27:13 5 infrastructure, I'm being inclusive of
6 infrastructure that we may not -- it may not be
7 our servers. I would include Ripple -- sorry,
8 Google's data infrastructure in that context for
9 us to have some license. I don't know the
10:27:30 10 relationship there, but I believe that the data
11 you are asking about would be stored on a Google
12 Doc somewhere.

13 Q. Maybe Google Drive that the company
14 accesses, for example?

10:27:43 15 A. That's my best guess. I don't know.

16 Q. Okay. Is it -- just -- your best
17 recollection is that it might be in some sort of
18 Google Doc, a document hold that the -- that the
19 legal team sends.

10:27:56 20 Do you know why it's a Google Doc? Are
21 people able to sort of check that they read it or
22 is there any other reason?

23 MR. SOLOMON: Objection; form.

24 Q. Is there any reason, sorry, that it's a
10:28:05 25 Google Doc that you know of?

10:28:06 1 MR. SOLOMON: Objection; form.

2 A. I don't know.

3 Q. Okay. Did -- and let me just go back.

4 Did the company implement a document
10:28:13 5 retention policy after -- or with respect to the
6 class action?

7 A. Sorry. Could you repeat the question,
8 please?

9 Q. Yes.

10:28:22 10 Did the company implement a document
11 retention policy with respect to the class action?

12 A. You mean a document hold?

13 Q. A document hold.

14 A. Thank you. Yes.

10:28:31 15 Q. What did it provide?

16 A. I don't recall.

17 Q. Did you -- but you read the whole thing?

18 A. I believe I received that and I believe
19 I would have reviewed it, yes.

10:28:43 20 Q. Did you follow it?

21 A. Yes.

22 Q. Okay. And did the document -- did the
23 company implement a document hold policy with
24 respect to the SEC's letter?

10:28:52 25 A. Yes.

10:28:52 1 Q. Okay. And what did that provide?

2 A. I don't recall.

3 Q. Okay. Who -- do you know who drafted
4 the hold?

10:29:03 5 A. I do not.

6 Q. And where is that hold -- where is it?
7 Is that also -- where is the document?

8 A. I don't know.

9 Q. Okay. Did you abide by that hold?

10:29:15 10 A. Yes.

11 Q. Okay. You used a messaging app called
12 Signal, right?

13 A. Yes. I use, current tense, as well.

14 Q. When did you start using it?

10:29:29 15 A. I don't recall when I was first
16 introduced to Signal. I -- I expect it predated
17 my experience at Ripple, but I used it while at
18 Ripple, also.

19 Q. Ripple didn't give you, like, a company
10:29:41 20 phone, right?

21 A. Not when I joined.

22 Q. Do you have one now?

23 A. I guess you could describe it as a
24 Ripple phone, yes.

10:29:53 25 Q. What do you mean, "you could describe it

10:29:54 1 as a Ripple phone"?

2 A. It's actually provided by a third-party
3 security firm that Ripple contracts to improve the
4 security posture that Ripple has on the company
10:30:08 5 from bad actors.

6 Q. Do you have a separate personal phone
7 other than that phone?

8 A. No. My -- my hesitation there is I do
9 have more than one phone. I use my Ripple phone
10:30:24 10 which is provided by a third-party security firm
11 as my primary phone.

12 Q. You have another phone device?

13 A. I have more than one, yes.

14 Q. How many?

10:30:39 15 A. I would say I have three phones and a
16 Google Voice number. So maybe four phone numbers.

17 Q. Phone -- four phone numbers, but three
18 devices?

19 A. Yes.

10:30:52 20 Q. Are they all Apple?

21 A. Yes.

22 Q. Okay. And is Signal installed on all
23 three of them?

24 A. I don't know.

10:30:58 25 Q. Is Signal installed on the phone you

10:31:00 1 have with you now?

2 A. I don't have a phone with me right now.

3 Q. Okay. Is Signal installed on the phone
4 that you're going to go to when you leave here
10:31:07 5 today?

6 A. Yes.

7 Q. Okay. And which one is that phone? Is
8 that the Ripple one, the one that Ripple --

9 A. Oh, yeah. Yes. My primary phone that I
10:31:16 10 consider my, you know, 99 percent use case phone
11 is a -- my personal phone, my Ripple phone, it's
12 provided by a third-party security firm for
13 various security management.

14 Q. And that -- and Ripple pays for that
10:31:31 15 phone?

16 A. Yes.

17 Q. Okay. So my questions are going to
18 focus on that phone for the moment.

19 When did you install Signal on that --
10:31:40 20 on that phone?

21 A. Well, to be precise in answering the
22 question, I got a new phone within the last 60
23 days and I reinstalled all of the apps that I'd
24 had. And so --

10:31:55 25 Q. When did you first install the app in

10:31:58 1 your Ripple phone? I understand that it, you
2 know, moves along when you get a new phone.

3 A. Yeah. Well, my -- you're asking
4 specific to my Ripple phone. I would have
10:32:07 5 installed Signal when I first got the Ripple
6 phone.

7 Q. Which was when?

8 A. Probably the summer of 2017.

9 Q. Okay. Why did you install it?

10:32:20 10 A. I was using it prior to that and I was
11 using -- I was getting a new phone and I was
12 switching phone numbers at the time. And so I was
13 kind of re-establishing the same applications I
14 had on my old phone, old phone number, to a new
10:32:36 15 phone.

16 Q. When did you first install -- install
17 Signal on your old phone?

18 A. I don't recall.

19 Q. For what purpose did you install Signal?

10:32:43 20 A. To communicate with people.

21 Q. Any other purpose? Any other reason?
22 Sorry. Any other reason that you installed it?
23 Did you like that app better than others, you
24 know?

10:32:55 25 A. You know, Signal particularly -- you

10:32:58 1 know, I was using it before I joined Ripple, but I
2 probably started using it more at Ripple. I think
3 a lot of people in the crypto industry use Signal.
4 It's, I think, viewed -- fairly or unfairly -- as
10:33:10 5 more secure and more private.

6 Q. What about Telegram? Why not Telegram?
7 You know, what's the difference?

8 A. I've never used Telegram to my knowledge
9 so I don't have a comparison.

10:33:25 10 Q. All right. Did you clear your use of
11 Signal with any counsel?

12 MR. SOLOMON: Objection; form.

13 A. My use of Signal predates my employment
14 at Ripple and so I doubt that I would have reached
10:33:38 15 out to personal counsel to use a messaging app.

16 Q. You understand that messages on Signal
17 are ephemeral?

18 A. I'm aware that messages on Signal can be
19 set to disappear.

10:33:56 20 Q. Okay. And when did you become aware of
21 that? I'm sorry, who told you about the existence
22 of the app or how did you find out?

23 A. I -- I don't recall.

24 Q. Okay. When did you become aware that
10:34:04 25 messages on Signal can be set to disappear?

10:34:11 1 A. I expect when I first started using it.

2 Q. Okay. And did you set your messages to
3 disappear when you first started using it?

4 A. Yes. I -- I've always taken the point
10:34:21 5 of view that I'm going to set it on the longest
6 time period of expiration so that I don't forget
7 things. But I -- so I generally set it at the
8 one-week interval.

9 Q. That's the longest period of expiration?

10:34:35 10 A. It was, I -- I think, until very
11 recently, it was the longest period of expiration.

12 Q. Okay. And what is it now?

13 A. I think it may now be four weeks.

14 Q. And is it fair to say that you can have
10:34:47 15 on Signal conversations only with other Signal
16 users?

17 A. I believe that's correct.

18 Q. And can you have group chats on Signal?

19 A. Yes.

10:34:58 20 Q. Okay. And is it correct -- is my
21 understanding correct that if I have a
22 conversation with you on Signal and I set it to
23 auto delete in one day and you set it in one week,
24 it deletes in one day?

10:35:08 25 A. That's correct.

10:35:09 1 Q. Okay. But --

2 A. But that's my understanding.

3 Q. Right.

4 You're saying that your recollection is
10:35:13 5 for your setting it was typically one -- a
6 one-week setting, is that right?

7 A. Correct. As you described, either party
8 can set the expiration of a message. You can't
9 override the other person. It goes to whatever is
10:35:35 10 set for the -- whoever sets the shortest duration.

11 Q. Shorter.

12 A. It uses that setting.

13 Q. And do you have -- how many Signal
14 accounts do you have?

10:35:49 15 A. I'm not even sure I understand the
16 question.

17 Q. Well, do you have more than one login?

18 A. It's my understanding that Signal -- in
19 order to authenticate on Signal, it's by a phone
10:36:02 20 number. I use one -- I mean, is your question do
21 I use Signal on my other phones? I think you
22 answered that -- or asked that. I don't use
23 Signal on my other phones. To my knowledge, it's
24 not installed there.

10:36:13 25 Q. Okay. So just one account, one phone,

10:36:15 1 that you associate with Signal?

2 A. Yes.

3 Q. Okay. What setting -- what auto delete
4 setting do you have on the app now?

10:36:25 5 A. I -- I prob -- I set one week typically.

6 Q. Okay. And did you -- have you at any
7 time discussed, you know, your employment --
8 things related to your employment at Ripple on
9 Signal?

10:36:41 10 A. Yes.

11 Q. Have you at any time discussed XRP on
12 Signal?

13 A. I suspect at some point I have, yes.

14 Q. Who do you communicate with on Signal?

10:36:54 15 A. I'd say about 95 percent of my activity
16 on Ripple is either communicating with my
17 executive assistant or communicating with the
18 security team within my work.

19 MR. SOLOMON: You said "on

10:37:05 20 Ripple."

21 THE WITNESS: Oh, sorry.

22 MR. SOLOMON: No, and I didn't
23 mean to scare you. I just want to make
24 sure you're answering his question.

10:37:12 25 MR. TENREIRO: Yes, that was very

10:37:12 1 confusing to me as well.

2 BY MR. TENREIRO:

3 Q. Let me -- let me -- so I didn't ask --
4 ask the best question.

10:37:17 5 So on Signal -- let's -- let's take it
6 step by step.

7 Do you talk to friends and family
8 members on Signal?

9 A. Yes.

10:37:23 10 Q. Okay. Set those aside.

11 Do you talk to coworkers on Signal?

12 A. Yes.

13 Q. Okay. Now back to the friends and
14 family members.

10:37:31 15 Do you discuss Ripple or XRP with them?
16 Have you ever discussed Ripple or XRP with them on
17 Signal?

18 A. I suspect at some point I have, yes.

19 Q. Have you ever discussed the --
10:37:40 20 conversations with the SEC on Signal? Still
21 focused on family and friends.

22 A. Not to my knowledge.

23 Q. Okay. Now coworkers. What coworkers do
24 you chat with on Signal about anything?

10:37:53 25 A. So when I misspoke a moment ago, what I

10:37:56 1 was describing is about 95-plus percent of my
2 Signal activity consists of communication with
3 either my executive assistant or the security team
4 that -- with whom I work.

10:38:09 5 Q. Is the security team, generally
6 speaking, related to safeguarding your XRP or
7 Ripple's XRP or something else?

8 A. Physical security, kind of all aspects
9 of security associated with my position as CEO of
10:38:25 10 Ripple.

11 Q. Okay. And the not 95-plus percent of
12 communications, who are they with?

13 A. I mean, I don't have a list available
14 off the top of my head. You know, certainly a lot
10:38:41 15 of crypto people use Signal. So if I'm
16 communicating with other members of the crypto
17 community at other companies, a lot of those
18 messages would be via Signal.

19 Q. Right. So I was going to get to that
10:38:57 20 third bucket.

21 A. Okay.

22 Q. But right now I'm focused on coworkers
23 at Ripple. So you said that for the 95 percent,
24 executive assistant or security team, but I'm
10:39:05 25 focused on that -- the not 95 percent.

10:39:07 1 What are -- who are those conversations
2 with that you've had on Signal?

3 MR. SOLOMON: Who today? Who
4 during the time?

10:39:15 5 MR. TENREIRO: Who during the
6 time period I mean.

7 MR. SOLOMON: The entire time
8 period? Okay. Generally what you
9 remember during the entire time period.

10:39:21 10 BY MR. TENREIRO:

11 Q. Who at Ripple have you communicated on
12 Signal? You've told me your executive assistant
13 and executive team.

14 A. I've communicated with Chris Larsen on
10:39:29 15 Signal. I've communicated with Asheesh Birla on
16 Signal. I've communicated with Monica Long on
17 Signal. I don't recall communicating with Patrick
18 Griffin, but I probably have communicated with
19 Patrick Griffin on Signal. I don't recall
10:39:44 20 communicating with David Schwartz on Signal. You
21 know, I mean, as we go through -- I've
22 communicated with [REDACTED] on Signal.
23 I've communicated with [REDACTED] on Signal.

24 In general, I think many employees at
10:40:09 25 Ripple know that I use Signal and they know that

10:40:12 1 I'm quite responsive. And so to the extent they
2 are trying to reach me about something, they know
3 that Signal's a good way for me to be responsible
4 in that regard.

10:40:22 5 Q. And how do they know that?

6 A. Experience.

7 Q. So, like, did you ever tell anyone that
8 you might be more responsive if they reach out to
9 you on Signal and then the word of mouth got out

10:40:34 10 or --

11 A. I don't recall specifically, but I
12 think -- I don't hide the fact that I use Signal
13 from the team. And so people know that I use it
14 and they -- you know, trial and error. They -- if
10:40:48 15 they send me a Slack message, sometimes I may not
16 reply for days. If they send me a Signal message,
17 I'm more likely to be responsive.

18 Q. Did you ever -- of these people you
19 recall communicating with, the communications were
10:40:59 20 messages, right, not phone calls?

21 A. Both phone calls and messages.

22 Q. Can you have phone calls using the
23 Signal app?

24 A. Yes.

10:41:07 25 Q. Sort of like WhatsApp, you can have a

10:41:09 1 message -- are you familiar with the app WhatsApp?

2 A. I am.

3 Q. Okay. With WhatsApp you can call
4 someone or send them a message, correct?

10:41:16 5 A. I believe so.

6 Q. So that's the same on Signal?

7 A. Yes.

8 Q. Okay. Are the records of the phone
9 calls also -- do they also auto delete on Signal?

10:41:25 10 A. I don't believe so. I don't know to be
11 honest.

12 Q. Like the call log? You know what I
13 mean?

14 A. Yeah, I -- I believe the call log is
10:41:33 15 maintained.

16 Q. Okay. But when you -- just to be clear,
17 you -- you said you communicated with Larsen,
18 Birla, Long, Griffin -- actually, you said I don't
19 recall Griffin, but probably.

10:41:45 20 To the extent you communicated with
21 those people, it was on Signal, both phone calls
22 and messages?

23 MR. SOLOMON: Objection; form.

24 A. I believe at one point or another I may
10:41:57 25 have had phone calls with all of those people.

10:42:00 1 And to make sure I'm being clear, I don't view
2 that list as exhaustive --

3 Q. Sure.

4 A. -- because I don't have a list of all
10:42:06 5 the Ripple employees. But --

6 Q. Absolutely.

7 A. Okay.

8 Q. I'm just trying to make sure that it was
9 messages and phone calls that you recall.

10:42:10 10 A. Yes.

11 Q. And did you discuss -- in these, you
12 know, conversations, did you discuss, for
13 example -- did you discuss Ripple business?

14 A. Yes. At some point I'm sure with all of
10:42:26 15 those people I would have discussed Ripple
16 business.

17 Q. And what about XRP?

18 A. During some period of time, yes.

19 Q. Okay. What about conversations with the
10:42:37 20 SEC?

21 A. I didn't have any conversations with the
22 SEC via Signal.

23 Q. Did you discuss with those people
24 conversations that the company was having with the
10:42:46 25 SEC?

10:42:47 1 A. I don't recall.

2 Q. Okay. What about -- so now we've talked
3 friends and family, coworkers. Now other parties,
4 third parties.

10:42:58 5 Did you discuss -- did you have
6 communications on Signal with GSR?

7 A. Yes.

8 Q. Go ahead.

9 A. One particular person at GSR. To my
10:43:09 10 knowledge, I only communicated with [REDACTED].

11 Q. Uh-huh.

12 Before I get to [REDACTED], did you ask
13 any of the Ripple employees to communicate with
14 you via Signal? Did you affirmatively ask them to
10:43:22 15 do that?

16 A. I -- I don't recall specifically. I'm
17 sure that there's times when I -- people are aware
18 that I respond to -- I think people know that I
19 communicate regularly with my assistant and the
10:43:34 20 securities team and I'm in communication with them
21 frequently. And so I think they know that. And I
22 certainly expect at some point I've said, Hey, you
23 know, send me a message on Signal.

24 Q. I see.

10:43:45 25 Did you -- what about with Mr. Larsen?

10:43:46 1 Did you ask -- did you suggest to him that he
2 install the app or did he have it before you?

3 A. I don't recall.

4 Q. Okay. Okay. Now back to third parties.

10:44:00 5 So you communicated -- it seems like you
6 remember communicating with [REDACTED] about -- on --
7 on Signal, correct?

8 A. Yes.

9 Q. And generally what were those
10:44:09 10 communications about?

11 A. GSR -- I -- I used GSR to sell some XRP.
12 We would share via Signal wallet information to
13 securely -- make sure that various transfers were
14 done securely.

10:44:30 15 Q. So you discussed sales of XRP with
16 [REDACTED]?

17 A. No. I don't recall speaking of sales.
18 I recall speaking of the -- the logistics of
19 administering movement of XRP through Signal.

10:44:44 20 Q. Logistics of sales? The logistics of
21 administering some of your sales?

22 A. Sure. Yes.

23 Q. Okay. What other third parties have you
24 communicated with on Signal about Ripple or XRP?

10:45:05 25 A. I -- I -- I don't have an exhaustive

10:45:06 1 list. Certainly around the time I started using
2 Signal more, which was kind of 2017, there was a
3 group of -- a group of Signal -- as you described,
4 a group chat, effectively, of various leaders in
10:45:22 5 the crypto industry that had a -- a group chat
6 sharing various best practices around securities.

7 Q. Okay. And what about members of the XRP
8 Army? Have you communicated with them on Signal?

9 A. No. I mean, the XRP Army is an
10:45:38 10 amorphous nonspecific. Like, I don't know who is
11 -- who's included on that list. I didn't really
12 count.

13 Q. Secretly being part of it.

14 To your knowledge, have you been -- you
10:45:46 15 know, communicated -- have you communicated with
16 members of the XRP Army on Signal?

17 A. Again, I don't know how to define the
18 XRP Army and so...

19 Q. Fine.

10:45:57 20 Have you communicated with holders of
21 XRP on Signal?

22 A. Yes.

23 Q. Third parties. Third parties. I know
24 employees of Ripple have XRP.

10:46:04 25 A. I mean, I'm almost certain the answer to

10:46:06 1 that is yes.

2 Q. Okay. And why are you almost certain?

3 A. Well, as I described, there's a group
4 chat of other leaders in the XRP -- excuse me, in
10:46:17 5 the crypto community with whom I -- there's a
6 group chat around security. I'm certain that some
7 of them own XRP. I believe some of them own XRP.
8 So I'd expect the answer is yes, as I said.

9 Q. I was just --

10:46:33 10 A. I mean, I think there's 15-ish people on
11 that group chat. I'd have to go through it and
12 look at who all's on there.

13 Q. Just at top of -- top of mind. You
14 know, who's on there that you think --

10:46:44 15 A. [REDACTED].

16 Q. Anyone else?

17 A. My -- my connective -- I think the --
18 the CEOs of other exchanges are on there. I --
19 I -- I don't recall who all's on there.

10:47:01 20 Q. Okay. Other than this group chat with
21 leaders of the crypto industry, any other holders
22 of XRP you have communicated with on Signal?

23 A. That aren't Ripple employees?

24 Q. That's right.

10:47:19 25 A. I think [REDACTED] owns some XRP.

10:47:22 1 Q. Okay. Others?

2 A. I -- I -- I don't have a recollection
3 without the benefit of -- if I went through the
4 list with whom I've communicated on Signal,
10:47:35 5 perhaps I could come up with some others.

6 Q. And where's that list?

7 A. On the Signal app.

8 Q. So the Signal app has a list of who you
9 communicated with but not the messages?

10:47:47 10 A. Correct. I mean, sim -- using WhatsApp,
11 it sounds like you're familiar with, you know, you
12 see with whom you've communicated. And so that
13 would refresh my memory.

14 Q. By looking at the list?

10:48:01 15 A. Correct.

16 Q. But the messages won't be there?

17 A. That depends.

18 Q. Well, messages beyond the week or four
19 weeks or whatever?

10:48:08 20 MR. SOLOMON: Objection; form.

21 A. I mean, there's some messages on there.
22 I mean, some people don't set an expiration at all
23 and so the messages would still be there.

24 Q. Well, I'm talking about your messages.
10:48:23 25 Have you always had the expiration of a week or

10:48:25 1 maybe four weeks more recently?

2 MR. SOLOMON: Objection; form.

3 A. I have always intended to, you know, in
4 the interests of data security, data privacy, to
10:48:36 5 use Signal with that feature. I'm certain there
6 are times when I have not done that.

7 Q. Okay.

8 MR. SOLOMON: You said you
9 started using it more in 2017. You might
10:48:44 10 want to explain to the SEC the
11 circumstances around that. It might be
12 helpful.

13 MR. TENREIRO: Yeah. I think I'm
14 familiar, but go ahead.

10:48:51 15 MR. SOLOMON: Yeah, I'm sorry.
16 It's their question, but you had mentioned
17 it.

18 A. In the late spring/early summer of 2017,
19 my phone was compromised by hackers and a lot of
10:49:05 20 my personal data was accessed, including
21 financial. You know, lots of money was stolen.
22 And after that I took and prioritized uses of --
23 of Signal more highly in the interest of data
24 protection such that if my phone is compromised,
10:49:20 25 my phone is stolen, I have better protection of --

10:49:24 1 or I felt that there would be better protection of
2 my data.

3 Q. Okay. And with respect to the
4 litigation hold note and documents or -- or
10:49:36 5 policies that Ripple had with respect to class
6 action and the communications with the SEC, what
7 steps, if any, did you take to ensure that Signal
8 messages were preserved for those hold notices?

9 MR. SOLOMON: Objection to form.

10:49:56 10 A. I generally follow the same practices I
11 had been practicing. I continued to make phone
12 calls. I continued to write emails. I continued
13 to use Signal. And so I'd say my communication
14 practices didn't materially change.

10:50:09 15 Q. Did you seek -- without getting into
16 substance, did you seek the advice of any counsel
17 with respect to using Signal after you got these
18 hold notices?

19 A. No.

10:50:21 20 Q. Okay. And without getting into the
21 substance, did you receive any advice from any
22 counsel with respect to using Signal after the
23 hold notices?

24 A. Not that I recall.

10:50:34 25 MR. TENREIRO: Let's look at

10:50:35 1 Exhibit 106, please.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 106 for identification.)

10:50:37 5 BY MR. TENREIRO:

6 Q. While Mark gets the exhibit, did you
7 ever use the desktop version of Signal?

8 A. Yes.

9 Q. Okay. Do you have it installed on your
10:50:58 10 computer now?

11 A. I do.

12 Q. Okay. And the computer one that you
13 use, your primary one, is that a Ripple computer?

14 A. Yes.

10:51:04 15 Q. Laptop?

16 A. Yes.

17 Q. Apple?

18 A. Yes.

19 Q. Okay. And did -- did you use WhatsApp?
10:51:13 20 Do you use WhatsApp?

21 A. I had a WhatsApp account. I would say,
22 you know, define "use." Minimally.

23 Q. With Ripple employees?

24 A. Not to my recollection.

10:51:29 25 Q. Did you communicate with [REDACTED] on Signal?

10:51:31 1 A. No.

2 Q. Did you communicate with anyone here on
3 Signal?

4 A. I -- I have communicated with Matt
10:51:37 5 Solomon on Signal.

6 Q. Okay. This is Exhibit 106. This is
7 GARL Civil 1344. It appears to be a series of
8 text messages.

9 Take your time.

10:52:20 10 (Pause)

11 Q. Okay. Who is [REDACTED]?

12 A. [REDACTED] is currently the
13 chief business officer at Ripple.

14 Q. Who was he in 2020? This email --
10:54:06 15 this -- this appears to be a series of text
16 messages.

17 Do you agree?

18 A. It appears to be a series of text
19 messages, yes.

10:54:12 20 Q. Okay. And they appear to be from
21 Monday, 27 January 2020.

22 Do you see that?

23 A. I don't see that it's Monday, but I
24 accept that it may be Monday. I see that it's
10:54:21 25 January 27, 2020.

10:54:22 1 Q. And there's a little thing here on top
2 that says "Monday," but that's fine.

3 A. Okay.

4 Q. Did you provide your phone to counsel to
10:54:28 5 sort of, like, download messages? Do you know the
6 origin of this document?

7 MR. SOLOMON: Objection; form.

8 A. I do not know the exact origin of this
9 document, no.

10:54:39 10 Q. Did you provide your phone to counsel to
11 sort of --

12 THE REPORTER: I'm sorry?

13 Q. Did you provide your phone to counsel in
14 connection with this litigation to gather
10:54:43 15 information?

16 A. I mean, I think the technical answer to
17 your question is no. I mean, I think I understand
18 the question you're trying to ask.

19 Q. So go ahead and answer that question.

10:54:54 20 A. I think the question you're trying to
21 ask is did counsel arrange for my phone to be
22 reviewed or otherwise. And so I believe my
23 counsel engaged a third party that came -- I
24 guess, shipped me a collection -- during COVID the
10:55:12 25 mechanisms for collection I think were unique,

10:55:15 1 perhaps.

2 But, in effect, I think the answer to
3 your question is, yes, my phone was made available
4 and -- to provide data as part of this litigation.

10:55:25 5 Q. And you -- was that true with respect to
6 all three of your phones or just your primary
7 Ripple phone?

8 A. No, all of my phones.

9 Q. All of your phones. Okay.

10:55:34 10 Do you recognize your phone number on
11 this document? Don't read it into the record.
12 Just yes or no.

13 A. Yes.

14 Q. Okay. All right. So having had a
10:55:43 15 chance to read this document, at some point on the
16 third page, the one that says 1346 at the bottom,
17 you say "Speaking of nothing. Do you use Signal?"
18 Do you see that?

19 A. I do see that.

10:55:56 20 Q. Okay. And is it fair to say that before
21 that you were having a text conversation with
22 [REDACTED] about the amount of XRP
23 hitting the market and some sort of deal with
24 someone referred to as [REDACTED]?

10:56:14 25 A. You have put a description of the

10:56:17 1 conversation that I don't totally agree with, but,
2 yes, before that I see a text message exchange
3 between me and [REDACTED].

4 Q. Why don't you describe for me what this
10:56:27 5 conversation was about before we get to the part
6 where you ask "Do you use Signal?"

7 A. It appears to be about some frustrations
8 I'm having with the CFO of Ripple.

9 Q. With Ron Will?

10:56:42 10 A. That's correct.

11 THE REPORTER: I'm sorry?

12 MR. TENREIRO: With Ron Will.

13 Q. What -- what were the sources of your
14 frustration?

10:56:47 15 A. My -- my recollection, in part informed
16 by what I'm reading, is that he had made a
17 decision of, you know, over a million dollars
18 without asking me for my opinion or input. That
19 seemed surprising.

10:57:09 20 Q. Over a million dollar sale of XRP?

21 A. No. It looks like -- there's a
22 discussion -- my -- from what I'm reading here,
23 no.

24 Q. So like a -- sort of -- some sort of
10:57:22 25 investment of some sort?

10:57:27 1 A. No.

2 Q. So what is the decision of \$1 million?
3 What -- what is it? About what?

4 A. I think it's a payment.

10:57:32 5 Q. Uh-huh.

6 A. And it's \$1.75 million. And as
7 described in the thread, it says they would take
8 XRP or cash.

9 Q. A payment for what?

10:57:43 10 A. I don't recall.

11 Q. And where are you seeing \$1.75 million?

12 A. Didn't I see that?

13 MR. SOLOMON: Yeah, you did.

14 THE WITNESS: Okay.

10:57:51 15 MR. SOLOMON: It's about

16 three-quarters of the way down the first
17 page.

18 Q. Oh, sorry. Yeah. "Ron makes a decision
19 on \$1.75 and doesn't check with me."

10:58:01 20 You were frustrated about that?

21 A. It seems like it's a big enough number.
22 You're the CFO of the company. It feels like
23 something that would -- in the normal course of
24 business that you would talk to the CEO about.

10:58:20 25 Q. Were there not sort of, like, approval

10:58:23 1 matrices at Ripple?

2 A. Yes, Ripple had approval matrices.

3 Q. And was this above his approval grade or
4 whatever the term is?

10:58:37 5 A. I don't recall exactly. I think almost
6 certainly the answer would have been yes.
7 Moreover, it just seems like this would be
8 something that you would, as CFO, communicate
9 about.

10:58:52 10 Q. Were you ever involved in decisions
11 about, you know, firing Ripple employees or
12 letting people go?

13 A. Yes.

14 Q. Which ones?

10:59:04 15 A. Is the question which employees was I
16 part of without actually firing over the course of
17 my entire tenure of my --

18 Q. No, that you recall.

19 A. I mean, I'm sure there's many.

10:59:17 20 Q. Okay. Which ones do you recall, though?

21 A. Maybe repeat the question so I get --
22 make sure I get it right.

23 Q. What Ripple employees were you involved
24 in decisions about letting go?

10:59:33 25 A. Well, we can start chronologically of my

10:59:36 1 recollections. [REDACTED]
2 [REDACTED] (phonetic), [REDACTED].

3 I mean, if I may, if you'd like me to
4 try to remember all of them -- I mean, there's
11:00:05 5 scores, you know. There's no way I'm going to get
6 them all.

7 Q. Okay. So there's a lot? Does Mr. --

8 A. If anyone was terminated from Ripple
9 involuntarily during my tenure, generally
11:00:18 10 speaking, I probably had some visibility into it.
11 And if I had an opinion on the topic, I would have
12 shared that.

13 Q. Well, did -- let me ask you this: Did
14 you ever make the decision? Was it ever your
11:00:28 15 decision initiated by you to terminate a
16 particular employee?

17 A. Yes.

18 Q. Who?

19 A. Well, anyone who reported to me directly
11:00:37 20 it would have been my decision.

21 Q. So who did you decide to terminate?

22 A. I mean, again, over the six and a half
23 years I've been there, you know, it would -- I
24 would have to look at a list of who departed
11:00:50 25 during that time frame.

11:00:51 1 Q. Was Ron Will one of those people?

2 A. No, Ron Will quit.

3 Q. Okay. What about Patrick Griffin?

4 A. That's more of a gray area.

11:00:59 5 Q. Please explain.

6 A. You know, Patrick is a talented, smart,
7 energetic guy, who -- I guess I -- I look at the
8 growth of a start-up in kind of various phases and
9 having the right people for the right phase is

11:01:19 10 important. And I think Patrick was very useful
11 and constructive in an early phase, but as the
12 company scaled, his efficacy managing and building
13 teams and keeping teams organized and on target
14 for their objectives wasn't as strong as other
11:01:41 15 people over time.

16 Q. So the decision was a mutual decision or
17 you decided --

18 A. I decided --

19 MR. SOLOMON: Objection; form.

11:01:53 20 A. I -- I let Patrick know that I thought
21 it was time for him to transition and I wanted to
22 work with him to facilitate a constructive
23 transition.

24 Q. That's what the law firms do, by the
11:02:02 25 way.

11:02:08 1 Of the -- what about Antoinette
2 O'Gorman?

3 A. What about?

4 Q. Did you have a role in deciding that she
11:02:17 5 should leave Ripple?

6 A. I was certainly involved in those
7 conversations, but I was sad to see her leave.
8 And she -- it was her choice to leave the company.

9 Q. So she was not someone that you said to,
11:02:30 10 you know, you might -- this might be a time to
11 transition or something like that?

12 A. No, I didn't say that.

13 Q. Okay. What about Ms. Madigan?

14 A. What about her?

11:02:41 15 Q. Same question.

16 A. No.

17 Q. Okay. She left Ripple --

18 A. To be fair, she didn't report to me so I
19 was not a party to those conversations. I'm
11:02:50 20 aware -- I think she reported to Monica Long. And
21 Monica and I certainly discussed her tenure and
22 whether or not she was doing a great job.

23 Q. Was she?

24 A. I wasn't close enough to have a strong
11:03:06 25 opinion myself.

11:03:07 1 Q. Do you understand that her leaving was
2 voluntary or -- or Ripple suggesting to her that
3 she should leave?

4 MR. SOLOMON: Objection to form.

11:03:14 5 A. My recollection is that Ripple
6 suggested -- that Monica, as her manager,
7 suggested that it wasn't working out as well as
8 she might do at another company.

9 Q. Okay. And what about Miguel Vias? Same
11:03:28 10 question.

11 A. Maybe repeat the question so I get the
12 whole --

13 Q. Sure.

14 Were you involved in the decision with
11:03:33 15 respect to Mr. Vias leaving the company?

16 A. Miguel did not report to me. And, you
17 know, was I involved in that? I'm sure that I was
18 aware and a part of the conversations about the --
19 his exit. I'm -- I'm certain that I would have
11:03:49 20 been. I don't recall anything specific about
21 that -- those conversations.

22 Q. And, again, was that voluntary or was
23 that Ripple more suggesting it's not working out?

24 MR. SOLOMON: Objection; form.

11:03:59 25 A. I don't recall.

11:04:00 1 Q. Okay. Who was -- who was his direct
2 report?

3 A. His direct report or his manager?

4 Q. I'm sorry. His manager. His manager.

11:04:13 5 A. I think when he exited, I -- I don't
6 know if his manager was Monica or Patrick Griffin.

7 Q. You have -- you mentioned start-ups a
8 couple times today and the evolution of Ripple as
9 a start-up.

11:04:30 10 Did you also -- do you recall mentioning
11 that generally to me moments ago?

12 A. Yes.

13 Q. Okay. And I think you said you got an
14 MBA from Harvard, is that right?

11:04:38 15 A. Yes.

16 Q. So what -- what is a start-up in your
17 own words?

18 A. A start-up is a new company that a small
19 group of people come together and typically raise
11:04:54 20 some capital and start to build product solutions
21 that they think will be adopted by their customers
22 and grow into bigger businesses.

23 Q. From your experience prior to joining
24 Ripple, either educational experience or
11:05:14 25 professional background, did you come to

11:05:15 1 understand or become familiar with the various
2 ways in which start-ups might "typically raise
3 some capital"?

4 A. Yes.

11:05:25 5 Q. What were those ways that you learned
6 about?

7 A. Is the question what ways do start-ups
8 raise capital?

9 Q. Yeah. That you know. I'm not asking
11:05:34 10 you for the world. That you know.

11 A. Well, at different phases of a start-up
12 I think you see different approaches. At the
13 earliest stages that we were discussing a moment
14 ago, you know, there's something loosely described
11:05:53 15 as friends and family, where a start-up might
16 raise a small amount of money from friends and
17 family.

18 As the company progresses to the extent
19 it's seeing some traction in its vision of where
11:06:07 20 the future might go, you might start to raise
21 money from what have become known as seed funds.
22 And that might be smaller or -- more money than
23 you might raise from friends and family, but less
24 money than you might raise from a traditionally
11:06:23 25 defined venture capitalist.

11:06:27 1 And to the extent you raise seed funds,
2 to the extent you continue to build and grow and
3 have some evidence of success, you might go and
4 raise a Series A financing or Series B financing.

11:06:38 5 And that would be the way I think about raising
6 capital.

7 Q. Okay. Sometimes start-ups eventually
8 IPO?

9 A. I wouldn't have called them a start-up
11:06:53 10 at that point.

11 Q. At that point it's no longer a start-up?

12 A. Yeah. I mean, the journey of company
13 creation in Silicon Valley, in my experience, does
14 not have, you know, clear lines between when even
11:07:10 15 a Series A should happen versus a Series B; when
16 it's a start-up, when it's something more than a
17 start-up. So it feels more art than science in
18 those descriptions.

19 Q. Okay. And why did you fire [REDACTED]?

11:07:31 20 A. My recollection is that when I joined
21 the company in April of 2015, one of the first
22 conversations I had with Chris Larsen was that I
23 probably needed to fire [REDACTED]

24 Q. Why?

11:07:40 25 A. You'd have to ask Chris.

11:07:42 1 Q. So he told you from 2015 that you needed
2 to fire him?

3 A. He -- he believed when I joined the
4 company in April of 2015 that one of my direct
11:07:51 5 reports at the time was [REDACTED] And he
6 expressed that I probably needed to fire [REDACTED]

7 [REDACTED]

8 Q. He just said that. He didn't tell you
9 why?

11:08:04 10 A. I -- I don't recall.

11 Q. I see.

12 Back to Exhibit 106. Why are you asking
13 [REDACTED] to use Signal here?

14 MR. SOLOMON: You've --

11:08:18 15 A. I did not ask him to --

16 MR. SOLOMON: Let me just stop
17 you. You've just been asked a whole
18 series of questions and intervening
19 questions. If you need to look at the
11:08:26 20 document again, do it; if you don't,
21 don't. I just want to make that clear for
22 the record.

23 MR. TENREIRO: That's also
24 helpful. And let me correct my question.

11:08:32 25 BY MR. TENREIRO:

11:08:33 1 Q. Why did you ask him if he uses Signal?

2 A. I don't recall.

3 Q. Okay. And in the next page, he says "I
4 have Telegram. Does that do the trick?"

11:08:45 5 Do you see that?

6 A. I do see that.

7 Q. Okay. And there seems to be like a
8 question mark that probably is an emoji. Do
9 you -- originally was probably an emoji.

11:08:53 10 Do you see that?

11 A. I do see that.

12 Q. Okay. Do you recall what emoji you
13 responded with?

14 A. I do not.

11:08:58 15 Q. Okay. Whatever you said, he said,
16 "Okay, Signal it is."

17 Do you see that?

18 A. I do see that.

19 Q. After that did you communicate with him
11:09:06 20 on Signal?

21 A. I don't believe so.

22 Q. Okay. What's the basis of that belief?

23 A. Sorry. If the question is, Did I ever
24 communicate with him after that on Signal? the

11:09:18 25 answer is probably yes. To the extent I

11:09:20 1 communicated with him right after that, it looks
2 like the answer is no based upon the context of
3 this exchange.

4 Q. Any time after.

11:09:26 5 A. Yes.

6 Q. All right. Let's look --

7 A. Actually, to be totally honest, I don't
8 know.

9 Q. Okay. You would have to look at that
11:09:36 10 list you might have?

11 A. Right. Yeah.

12 Q. All right. Did you ever discuss with
13 anyone on Signal the status of XRP under the
14 securities laws?

11:09:49 15 A. I don't recall.

16 Q. Did you ever discuss with anyone your
17 views as to whether XRP sales were securities
18 transactions on Signal?

19 A. I don't believe so.

11:09:58 20 Q. Did you ever discuss XRP with anyone on
21 Signal?

22 A. Yes.

23 Q. Who?

24 A. I don't recall.

11:10:04 25 Q. When?

11:10:07 1 A. I don't recall.

2 Q. Anyone outside Ripple?

3 A. I expect, yes.

4 Q. Did you ever discuss XRP's use cases --
11:10:15 5 or case or cases -- using Signal?

6 A. I -- I don't recall.

7 Q. Did you ever discuss Ripple's efforts
8 with respect to the XRP ecosystem using Signal?

9 MR. SOLOMON: Objection; calls
11:10:29 10 for a legal conclusion.

11 Go ahead.

12 A. Could you repeat the question?

13 Q. Did you ever discuss Ripple's efforts
14 with respect to the XRP system using Signal? XRP
11:10:42 15 ecosystem.

16 A. Sorry. Maybe one more time just to make
17 sure I got it.

18 Q. Did you ever discuss Ripple's efforts
19 with respect to the XRP ecosystem using Signal?

11:10:54 20 MR. CERESNEY: Objection to form.

21 A. I don't recall.

22 Q. Did you ever discuss the reasons why
23 someone might buy XRP with anyone on Signal?

24 A. I don't recall.

11:11:04 25 Q. Did you ever disclose to a third party

11:11:06 1 the advice you might have gotten from counsel as
2 to the legal status of XRP under the securities
3 laws?

4 THE REPORTER: Could you repeat?

11:11:11 5 Q. Did you ever disclose to a third party
6 the legal advice you might have gotten from
7 counsel as to the legal status of XRP under the
8 securities laws?

9 A. I don't believe so.

11:11:23 10 Q. Did you ever discuss you or Ripple's
11 sales of XRP using Signal?

12 A. As we discussed earlier, with GSR, I
13 would have facilitated to confirm appropriate
14 wallet information to verify that we're being
11:11:43 15 secure in those transfers. Beyond that, I don't
16 recall.

17 Q. Okay. So when you say you don't recall,
18 would you say it's possible you just don't know
19 sitting here today?

11:11:55 20 MR. SOLOMON: Objection to form.

21 A. When I -- when I say that I don't recall
22 on that --

23 Q. On this last question.

24 A. Remind me what the last question was
11:12:03 25 exactly.

11:12:04 1 Q. Which was, did you discuss you or
2 Ripple's sales of XRP using Signal?

3 A. Yeah, I don't recall. And so the answer
4 to your second question -- I mean, generally
11:12:18 5 speaking, Ripple's sales of XRP would not have
6 been discussed via Signal.

7 Q. Okay. Is it possible you discussed them
8 and you just don't recall?

9 A. It's possible and I don't recall.

11:12:32 10 Q. Okay. And separate from the sales, but
11 is it possible that you discussed XRP with -- with
12 anyone on Signal?

13 MR. SOLOMON: Objection; asked
14 and answered.

11:12:46 15 You can answer.

16 A. Yes, it's possible.

17 Q. Okay. And is it possible you discussed
18 XRP status under the securities laws on Signal?

19 MR. SOLOMON: Objection; asked
11:12:56 20 and answered.

21 You can answer.

22 A. I -- I don't recall.

23 Q. Is it possible that you discussed on
24 Signal things like the Hinman speech on Signal?

11:13:05 25 A. It's possible, yes.

11:13:07 1 Q. Okay. Let's look at 96.
2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 96 for identification.)

11:13:09 5 THE WITNESS: Oh, I have two.

6 MR. SOLOMON: Thanks. Sorry.

7 BY MR. TENREIRO:

8 Q. So this is RPLI_SEC 533153. It's a
9 number of pages. Excuse me. It appears to me to
11:13:32 10 be a series of screenshots. Please take a look,
11 Mr. Garlinghouse. I'll want you to read it, but
12 just by browsing it, does it -- do you know what
13 this document is?

14 A. Not yet.

11:13:47 15 Q. Okay. Go ahead. Take a look at it.

16 (Pause)

17 A. Okay.

18 Q. Having looked at the document, do you
19 know what this document is?

11:15:35 20 A. This document appears to be screenshots
21 of a conversation. I don't actually know for
22 sure, I'm assuming it's Breanne, but I don't...

23 Q. Is the assumption based on the reference
24 to XRP-O?

11:15:54 25 A. The assumption is based upon the market

11:15:57 1 maker purchases.

2 Q. Market maker purchases of what?

3 A. XRP.

4 Q. Okay. Do you see -- who took these
11:16:07 5 screenshots?

6 A. I don't know.

7 Q. Did you ever take screenshots of your
8 Signal communications?

9 A. Other than for collection of -- for
11:16:16 10 purposes of this litigation, no.

11 Q. Right.

12 So before the litigation, did you have a
13 practice of taking screenshots of the
14 conversations?

11:16:23 15 A. No.

16 Q. You might have taken some, but not a
17 practice of it?

18 A. Not that I recall.

19 Q. Okay. Do you see that at least one of
11:16:30 20 these seems to say -- the second page says "June
21 25th, 2020," and then further down there's some
22 July dates.

23 Do you see all of that? Turn to the
24 second page first.

11:16:46 25 A. Yes, I see that.

11:16:48 1 Q. Okay. And there's a reference to XRP-O
2 somewhere in here.

3 Do you see that?

4 A. Yes, I saw that.

11:16:53 5 Q. Okay. So any reason to doubt that these
6 conversations did not occur sometime in the summer
7 of 2020?

8 A. I -- I don't have any reason to doubt
9 that these conversations occurred in the summer of
11:17:03 10 2020.

11 Q. Okay. And do you see on the first page
12 it says "Brad Garlinghouse set disappearing
13 message time to one week"? Do you see that?

14 A. Yes, I do.

11:17:13 15 Q. Why does that show up there, do you
16 know, on the app? Why does that pop up?

17 A. It's letting both parties -- it's
18 letting both parties know who has set the
19 expiration disappearing message feature.

11:17:25 20 Q. So you change the expiration feature, it
21 puts a notice there?

22 A. Correct.

23 Q. Okay. And did you ask Ms. Madigan to
24 communicate with you via Signal?

11:17:34 25 A. I -- I don't recall.

11:17:39 1 Q. Okay. Which -- which side of the
2 conversation is you and which side is Ms. Madigan?

3 A. I believe Ms. Madigan is the dark -- the
4 right side and I'm the light or the left side.

11:17:53 5 Q. Okay. So, for example, you say I just
6 -- "I'm just off the phone with [REDACTED]" -- and that's
7 [REDACTED]?

8 A. I presume, yes.

9 Q. You think that's you saying that to her?

11:18:02 10 A. I believe that's correct.

11 Q. Okay. On the next page, she talks about
12 speaking with legal, Comms, tax, et cetera.

13 "Given MMs need to execute these contracts, we
14 will not start buybacks until earliest tomorrow."

11:18:16 15 Do you see that?

16 A. Yes.

17 Q. What is the reference to buybacks?
18 Buybacks of what?

19 A. I believe this is in regard to the
11:18:26 20 buyback of XRP. As you're probably aware, one of
21 the things we're very cognizant of is minimizing
22 any impact we have in the XRP markets. As some
23 products scaled -- at the time what we're calling
24 XRP-Os, XRP-Origination, which is now known as
11:18:46 25 Wallet Send. And as that demand for that grew, it

11:18:51 1 meant we were introducing XRP into the market.
2 And in order to minimize any potential impact on
3 the market, we were creating the ability to buy
4 back XRP such that there wasn't an unexpected
11:19:07 5 significant increase to supply in the market.

6 Q. Later on she says, on page 3, "Hi Brad,
7 hope you're well."

8 Do you see that message?

9 Further down, "Given ongoing regulatory
11:19:21 10 conversations, I've asked legal for an
11 opinion - pending from [REDACTED]."

12 Do you see that?

13 A. I do see that.

14 Q. What regulator -- regulator
11:19:28 15 conversations are you discussing there?

16 A. I don't know. She's discussing it, not
17 me.

18 Q. I understand, but you're having a
19 conversation with her. So when you read that,
11:19:37 20 what did you understand that to mean?

21 MR. SOLOMON: If you did.

22 A. Yeah, I -- I don't know that I knew
23 exactly what she meant. I -- what you're
24 describing, the conversation, I replied with
11:19:47 25 "Sounds great. Thank you."

11:19:48 1 Q. You didn't ask her what regulator you're
2 talking about -- are you talking about, Breanne?
3 That was not your response?

4 A. No, that was not my response.

11:19:56 5 Q. Okay. Further down, if you turn a
6 couple pages, the message says "[REDACTED] came back and
7 after discussing with outside counsel" -- you're
8 going to have to flip a couple. Yeah, there you
9 go.

11:20:10 10 Do you see that?

11 A. Yes.

12 Q. Who's [REDACTED]?

13 A. I don't know.

14 Q. It says "[REDACTED] came back and after
11:20:15 15 discussing with outside counsel, they mentioned
16 some reg concerns given their SEC inquiry and
17 suggested we may want to explore other ways to do
18 this creatively that is more in line with our
19 current contract, i.e., using derivatives."

11:20:28 20 Does reading that give you a hint as to
21 who [REDACTED] is?

22 A. It does not.

23 Q. Okay. All right. And then you say to
24 her, on the next page, "Can you send around an
11:20:41 25 email update on what transpired over the weekend

11:20:51 1 on removing XRP-O supply from the market?"

2 THE REPORTER: Can you slow
3 down, please?

4 Q. "Can you send around an email update on
11:20:54 5 what transpired over the weekend on removing XRP-O
6 supply from the market?"

7 Do you see that message?

8 A. I do see that message.

9 Q. Did she send around that email update?

11:21:00 10 A. I don't recall.

11 Q. An email update. To whom were you
12 asking her to send the message to?

13 A. I don't believe I was specific about
14 that.

11:21:07 15 Q. No, but just in your mind, you know,
16 what was the practice -- when you asked her about
17 sending email updates, what was your sort of
18 expectation or practice about who it would be sent
19 to?

11:21:18 20 MR. SOLOMON: Objection; form.

21 A. My expectation would have been she's a
22 vice president of the company. I think maybe a
23 senior director/vice president of the company.
24 She would have had the knowledge to know, based
11:21:29 25 upon the content of that email, who needed to be

11:21:31 1 involved in that email.

2 Q. Why did you want her to send this update
3 on what transpired over the weekend on removing
4 XRP-O supply?

11:21:41 5 A. I don't recall. I presume because I
6 wanted to make sure everyone had the same set of
7 understanding.

8 Q. Everyone at Ripple?

9 A. Well, not everyone at Ripple.

11:21:53 10 Q. Everyone involved in these issues about
11 the buybacks or the XRP-O supply?

12 A. Yes.

13 MR. SOLOMON: Objection; form.

14 Q. Okay. All right. We can set that
11:22:03 15 aside.

16 Who is [REDACTED]?

17 A. I don't know.

18 Q. Do you know if he did any work for
19 Ripple?

11:22:17 20 A. Can you repeat the name?

21 Q. [REDACTED]

22 A. I don't know.

23 Q. Okay. Do you know of any relationship
24 he had to Ripple?

11:22:30 25 A. I do not.

11:22:31 1 Q. Have you heard of an entity called
2 [REDACTED]?

3 A. I don't believe so.

4 Q. Ripple has bank accounts at [REDACTED]
11:22:43 5 [REDACTED]?

6 MR. SOLOMON: Objection to form.

7 A. Yes.

8 Q. Do you have access to those bank
9 accounts?

11:22:49 10 A. I believe the answer to that is
11 technically, yes. I'm not sure that I know how to
12 access them.

13 Q. Who accesses them on a regular basis?

14 A. I would be speculating.

11:23:03 15 Q. Do you have -- do you know of an entity
16 called [REDACTED]?

17 A. I don't think I do.

18 Q. Okay. And do you have to approve
19 disbursements from Ripple's bank account or
11:23:16 20 accounts?

21 A. There's a threshold above which requires
22 multiple approvals or more than one. I don't know
23 what that threshold is. But there are times when
24 I am asked to log in to approve certain wire
11:23:35 25 transfers and disbursements of some size.

11:23:39 1 Q. Log into the bank account or log into
2 some other system? Because you just said you
3 don't know if you have access to the bank
4 accounts.

11:23:46 5 A. I don't --

6 MR. SOLOMON: Objection to form.

7 A. -- believe that was my exact testimony.
8 I think I said I believe I do have access. I
9 don't know if I could immediately go and gain
11:23:54 10 access.

11 Q. Okay. When you were asked to log on to
12 approve certain wire transfers, what are you being
13 asked to log on to?

14 A. A [REDACTED] --

11:24:02 15 MR. SOLOMON: Objection; form.

16 A. -- Bank website to which I would then
17 approve or disapprove a transaction.

18 Q. What about checks? Do you have to
19 approve those, the disbursements of checks from
11:24:17 20 Ripple's bank accounts?

21 A. I don't -- I'm not aware that I've ever
22 approved a check disbursement from Ripple's bank
23 account. I suppose, to be fair, when I approve a
24 transaction, I'm not sure I really know if it's
11:24:30 25 going out by wire or a check or some other

11:24:34 1 mechanism.

2 Q. And what is that threshold amount that
3 you have to -- above which you have to approve?

4 A. I'm not sure.

11:24:43 5 Q. Is it in the millions or hundreds of
6 thousands?

7 A. Millions. I -- I believe it's millions.

8 Q. Okay. And did -- do -- does Ripple have
9 more than one bank account at [REDACTED]?

11:24:54 10 A. Yes.

11 Q. How many?

12 A. I don't know.

13 Q. And does Ripple have banking accounts at
14 other banks in the United States other than

11:25:05 15 [REDACTED]?

16 A. Yes, I believe so.

17 Q. What bank or banks?

18 A. I believe we have an account at [REDACTED]
19 [REDACTED] and I believe we either have or are in the

11:25:17 20 process of setting up an account at [REDACTED]
21 [REDACTED].

22 Q. For what purpose? Why are you setting
23 up an account at [REDACTED]?

24 MR. CERESNEY: You're asking him
11:25:34 25 about today? You're asking him a question

11:25:37 1 about something that Ripple is doing
2 today?

3 MR. TENREIRO: Yeah.

4 MR. CERESNEY: Why is that at all
11:25:40 5 within the scope of this deposition?

6 MR. TENREIRO: Are you
7 instructing him not to answer the
8 question?

9 MR. CERESNEY: Well, I'd like a
11:25:46 10 proffer from you as to --

11 MR. TENREIRO: I'm not going to
12 give you one. I'm asking you -- he's
13 answering me where the bank accounts are
14 and I'm asking him why he's setting it up
11:25:52 15 at [REDACTED].

16 Are you instructing --

17 MR. CERESNEY: Yes.

18 MR. TENREIRO: Are you going to
19 instruct him not to answer?

11:25:56 20 MR. CERESNEY: I would like a
21 proffer from you as to why you think this
22 is relevant to this action.

23 MR. TENREIRO: Where Ripple's
24 funds are is relevant to this action even
11:26:04 25 today. It's relevant. I mean, there's

11:26:06 1 remedies. There's all sorts of issues why
2 it's relevant.

3 MR. CERESNEY: All right.

4 MR. TENREIRO: Go ahead.

11:26:11 5 MR. CERESNEY: If you can answer
6 that without discussing any discussions
7 with counsel or revealing discussions with
8 counsel.

9 A. Could you ask the question again?

11:26:18 10 Q. Why is Ripple setting up a bank account
11 at [REDACTED]?

12 A. Risk diversification. Concentration of
13 deposits at one bank, it's probably prudent to
14 have deposits at more than one bank.

11:26:32 15 Q. And when did the -- is it set up yet or
16 not?

17 A. I don't know.

18 Q. Okay. Did this process begin after
19 December 2020?

11:26:49 20 A. I believe so.

21 Q. Okay. Before December 2020, did Ripple
22 have bank accounts other than [REDACTED]
23 and [REDACTED] anywhere in the world?

24 A. I believe yes.

11:27:00 25 Q. Where?

11:27:02 1 A. I don't know.

2 Q. Who would know?

3 A. [REDACTED]

4 Q. Okay. Anyone else?

11:27:11 5 A. We have a relatively new CFO who has
6 been there four-plus months. She might know. Her
7 name is [REDACTED]. On [REDACTED] team,
8 who has subsequently left the company, [REDACTED]
9 might know. And then there's some people
11:27:34 10 underneath [REDACTED] that might have that
11 knowledge.

12 Q. And, I'm sorry, how many bank accounts
13 are there at [REDACTED]?

14 A. I don't know.

11:27:48 15 Q. Is it more than ten?

16 A. I don't know.

17 Q. Okay. And can you ballpark how many
18 countries Ripple has bank accounts in outside of
19 the United States?

11:28:01 20 A. I -- I -- I don't know.

21 Q. Okay. And the proceeds of Ripple's XRP
22 sales while you were CEO, were they deposited in
23 [REDACTED] accounts or others?

24 A. I don't know.

11:28:10 25 MR. SOLOMON: Objection; form.

11:28:11 1 Q. Okay. Do you know of -- do you know
2 where they were deposited, the proceeds of XRP
3 sales for Ripple's XRP?

4 A. I don't know.

11:28:22 5 Q. Okay. What about the proceeds of your
6 XRP sales? Where were those deposited?

7 A. The proceeds from my XRP sales were
8 deposited at [REDACTED] and subsequently I would
9 transfer those to [REDACTED].

11:28:37 10 Q. Okay. Any other bank you might transfer
11 them to?

12 A. Not that I can recall.

13 Q. Okay. And when you sold XRP, did you
14 sell it for fiat or did you sell it for -- at
11:28:49 15 times for other digital assets?

16 A. I believe I only sold it for fiat.

17 Q. What fiat?

18 A. I believe I only sold it for U.S.
19 dollars.

11:29:02 20 Q. Okay. And so are you saying that all of
21 the -- all of the proceeds went to Bitstamp
22 somehow, even the GSR ones?

23 A. Yes.

24 Q. Okay. And then from there you would --
11:29:12 25 or somebody somehow would get them to [REDACTED]

11:29:15 1 [REDACTED] ?

2 A. Yes.

3 Q. All right. And when did you open the
4 Bitstamp account?

11:29:26 5 A. I believe I opened the Bitstamp account
6 in the spring, kind of February/March, maybe
7 April, of 2017.

8 Q. For what purpose?

9 A. To custody XRP.

11:29:45 10 Q. And was selling XRP one of the reasons
11 to open that account?

12 A. Not at the time I opened it.

13 Q. Just to custody your XRP?

14 A. At -- at the time I opened it, my
11:30:00 15 recollection is -- so I was receiving a
16 distribution of XRP associated with a grant from
17 the company. Certain vesting provisions had been
18 met. And so sometime in the, I think, March/April
19 time frame of 2017, the first distribution and
11:30:21 20 vesting of XRP occurred and, thus, was distributed
21 to me.

22 One of the things that in -- in risk
23 mitigation I thought is I'm not going to send all
24 of that XRP to one custody, one wallet. I'm going
11:30:39 25 to distribute it. And my recollection is I sent a

11:30:42 1 third to Bitstamp, a third to GateHub, and a third
2 to a cold wallet. GateHub was the account that
3 was hacked and they stole all that XRP.

4 Q. How many units?

11:30:57 5 A. I don't recall exactly.

6 Q. You divided it in thirds, equal thirds?
7 Do you remember that?

8 A. Yes.

9 Q. Okay. And the cold wallet, who held the
11:31:04 10 keys?

11 A. I did.

12 Q. Okay. And the Bitstamp account that you
13 opened was to -- at first just to custody you
14 said?

11:31:13 15 A. Yes.

16 Q. So you made a decision later in time to
17 sell XRP?

18 A. Yes.

19 Q. When was that decision made?

11:31:26 20 A. I don't recall. I would have to go back
21 and look at records from 2017.

22 Q. Was it sometime in 2017 that you made
23 that decision to sell your XRP?

24 A. I began selling some XRP in 2017.

11:31:40 25 Q. Why did you sell it?

11:31:42 1 A. I -- I don't recall specifically. My
2 guess is diversification of assets.

3 Q. When you entered -- when you opened the
4 account at Bitstamp for the custody, did you sign
11:31:58 5 some sort of user agreement or check some box
6 about your, you know, relationship with Bitstamp?

7 MR. SOLOMON: Objection to form.

8 A. I -- I suspect I did.

9 Q. Okay. And how did you open this
11:32:09 10 account? Was it on a computer? on your phone, or
11 did you call them up?

12 MR. SOLOMON: Objection; form.

13 A. I don't recall specifically.

14 Q. Were you in the United States when you
11:32:17 15 did this or did you travel to some country to open
16 the account?

17 MR. SOLOMON: Objection; form.

18 A. I don't recall.

19 Q. Okay. And the vesting conditions that
11:32:30 20 had met -- been met, are you talking about pricing
21 volume conditions that were in your option or
22 granting contract with Ripple? I'm describing it
23 incorrectly as a "contract," but...

24 MR. SOLOMON: Objection; form.

11:32:43 25 A. I mean, I think we're saying the same

11:32:45 1 things. I don't recall all the provisions of what
2 had to occur in order for vesting to occur. Some
3 of that was time-based employment. I thought that
4 the other one was just volume based.

11:33:00 5 Q. Uh-huh.

6 A. But I don't recall.

7 Q. Okay. We'll look at the pricing one in
8 a minute.

9 Let's go back to [REDACTED] who you seem
11:33:08 10 to not recall. Let's look at Exhibit 94.

11 (Whereupon, exhibit is received
12 and marked Garlinghouse Deposition
13 Exhibit 94 for identification.)

14 MR. TENREIRO: All right. Let's
11:33:25 15 start here.

16 MR. SOLOMON: We're also about
17 five minutes away from another 90 minutes.
18 So we can -- happy to go through whatever
19 this line of questioning is, but at a good
11:33:32 20 point we may want to take another short
21 break. We can make this one short.

22 MR. TENREIRO: Let's do this.

23 MR. SOLOMON: Okay.

24 MR. TENREIRO: All right. For
11:34:08 25 the record, this is a document,

11:34:10 1 RPLI_SEC_1028005, a multipage email. It
2 appears to be a thread occurring --
3 actually, it might -- yeah, it's a couple
4 emails. Seems to be on July 11, 2018.

11:34:30 5 (Pause)

6 BY MR. TENREIRO:

7 Q. Okay. Mr. Garlinghouse, having reviewed
8 the email, do you see in the last page [REDACTED]
9 writes "I would like authorization to communicate
11:36:51 10 with the SEC on Ripple's behalf"? Do you see
11 that?

12 A. I do see that.

13 Q. Was that authorization given?

14 A. I don't know.

11:36:57 15 Q. Who would know? So let me ask this.

16 In -- in this email thread, I see [REDACTED],
17 [REDACTED], yourself, some of your counsel, and
18 [REDACTED] copied.

19 Do you see that at the top?

11:37:11 20 A. I do see that.

21 Q. Did you forward --

22 A. Yeah.

23 Q. Sorry.

24 Did you forward this email to anyone?

11:37:17 25 A. I don't know.

11:37:17 1 Q. Did you discuss the substance of this
2 email with anyone?

3 A. I don't recall.

4 Q. Okay.

11:37:21 5 MR. SOLOMON: Did you read this
6 email?

7 THE WITNESS: I don't know.

8 Oops, that was not your question. It was
9 his question. But I don't know.

11:37:28 10 MR. TENREIRO: That's okay.

11 BY MR. TENREIRO:

12 Q. Did you have a practice of not reading
13 some of your emails?

14 A. I mean, I got a lot of email every day
11:37:37 15 and the longer the email, the less likely it is I
16 read the whole thing. So, you know, just by
17 virtue of trying to prioritize and manage my
18 inbox, there's definitely some emails that I
19 haven't read. I think, according to my iPhone,
11:37:52 20 there's ten thousand of them.

21 Q. Right.

22 So there's some that are, like, marked
23 as unread --

24 A. Yes.

11:37:57 25 Q. -- in your iPhone.

11:37:58 1 But if you -- if you click on it --
2 you're saying that even if you click on it, you
3 might still not read it? Is that what you're
4 saying?

11:38:03 5 A. I -- it's definitely possible.

6 Q. Uh-huh.

7 A. In part based on who the sender is.

8 Q. Right.

9 Would you read an email from -- the top
11:38:13 10 of this is from [REDACTED], right?

11 A. Yes.

12 Q. He's a legal advisor, right?

13 A. Yes.

14 Q. Okay. And so do -- how often did you
11:38:19 15 not read your emails from your legal advisors?

16 A. I don't know.

17 Q. You can exclude Mr. Solomon if you want.

18 But did you -- did you have a practice
19 of not reading emails from legal advisors around
11:38:29 20 the time of this email in July of 2018?

21 MR. SOLOMON: That's not what

22 he's saying. Just ask him the questions.

23 MR. TENREIRO: Let me just -- let
24 me just ask.

11:38:36 25 BY MR. TENREIRO:

11:38:37 1 Q. Did you -- did you have any practice
2 with respect to emails from your legal counsel or
3 legal advisors?

4 A. Did I have any practice? What does that
11:38:45 5 mean?

6 Q. Yeah. You know, did you think to
7 yourself, you know, if I get an email from my
8 legal advisor, I better read those, or did you
9 have a practice that said I don't really trust the
11:38:56 10 guy, I'm not going to ask it? I mean, that's what
11 I'm asking.

12 MR. CERESNEY: Objection; form,
13 among other things.

14 A. I don't even know what the question is.
11:39:03 15 I apologize.

16 Q. My question is, did you have a practice
17 of reading or not reading emails from your legal
18 advisors?

19 A. I wouldn't -- I didn't have a different
11:39:10 20 practice from my legal advisors than I had from
21 anybody else.

22 MR. SOLOMON: Objection.

23 Q. Did you consider emails from your legal
24 advisors to be important?

11:39:17 25 A. It depends who the legal advisor was.

11:39:20 1 Q. What about [REDACTED] -- [REDACTED]?

2 Sorry. [REDACTED]

3 MR. SOLOMON: You're under oath.

4 Just kidding.

11:39:31 5 A. There are other lawyers I would have
6 prioritized more highly.

7 Q. Than [REDACTED]?

8 A. Yes.

9 Q. Okay. So based on that, you can't
11:39:38 10 recall either way if you actually read the
11 substance of this email, is that correct?

12 A. I don't recall this email.

13 Q. Okay. Is it possible that you did read
14 it, though?

11:39:47 15 A. For certain.

16 Q. Okay. And the authorization, you just
17 don't know if that was given, the authorization
18 that he requests?

19 A. That's correct.

11:39:56 20 Q. Okay. And having read the email, you
21 know, I don't -- I'm not going to spend a lot of
22 time on some of these things, but it appears that
23 he's suggesting that there's some report that's
24 going to be presented to the SEC.

11:40:06 25 Do you see that?

11:40:06 1 A. I do.

2 Q. And there's a reference to Val. Do you
3 know who that is?

4 A. I do.

11:40:10 5 Q. Who is that?

6 A. Val Szczepanik, as described -- although
7 I think they spelled "czar" wrong.

8 Q. They did.

9 A. Is, I think, publicly pronounced from
11:40:20 10 the SEC as the Crypto Czar.

11 Q. And had you met Ms. Szczepanik at this
12 point in time?

13 A. I believe Ms. Szczepanik was in the
14 meetings that I attended at the SEC, but I had
11:40:29 15 only met her in that construct.

16 Q. Do you remember if she was in the
17 Division of Enforcement back then?

18 A. I don't.

19 Q. At the top [REDACTED] says "Got it.
11:40:40 20 Meanwhile let's avoid contact with Val so we can
21 coordinate. Andrew will be in touch with you
22 today. Thanks."

23 Do you know who the reference to Andrew
24 is there?

11:40:48 25 A. Well, I'm assuming, because Andrew

11:40:50 1 Ceresney is on the cc, that they're referring to
2 Andrew Ceresney.

3 Q. Okay. Did [REDACTED] have sort of the
4 authority to direct Mr. Ceresney who to call back
11:41:02 5 as suggested by this email?

6 MR. SOLOMON: Objection; form.

7 A. That's unclear.

8 Q. I feel like I'm missing something here
9 about the relationship with [REDACTED]. So why
11:41:10 10 don't you go ahead and tell me, because there's
11 some chuckling going on. What --

12 A. [REDACTED] is a very -- you all have, I
13 believe, met [REDACTED]. Fair? Yes? No?

14 Q. Just answer the question.

11:41:20 15 MR. SOLOMON: Brad is
16 referencing -- referencing the SEC side of
17 the table just for the record.

18 Go ahead, Brad.

19 A. [REDACTED] is an intelligent,
11:41:28 20 opinionated, cantankerous advisor.

21 Q. Uh-huh.

22 A. So I -- particularly in this time
23 period, I think there were a group of people --

24 MR. CERESNEY: You know what,
11:41:44 25 Brad? Let's end the answer there.

11:41:45 1 THE WITNESS: Okay.

2 MR. CERESNEY: I'm instructing
3 the witness not to answer further because
4 now he's going to tread into legal advice
11:41:51 5 and we're not going to go there.

6 MR. TENREIRO: Well, I
7 didn't think -- you should not tread into
8 legal advice, but I thought he said there
9 was a group of -- are you talking there
11:41:57 10 was a group of advisors -- how does that
11 tread --

12 MR. CERESNEY: He was about to
13 tread into legal advice in his answer.

14 MR. TENREIRO: Okay.

11:42:04 15 BY MR. TENREIRO:

16 Q. Can you explain further what
17 relationship [REDACTED] had to Ripple in this time
18 period?

19 MR. CERESNEY: I think he's
11:42:13 20 already explained that. Asked and
21 answered.

22 Q. Okay. Go ahead.

23 MR. CERESNEY: Objection.

24 A. A legal advisor to the company.

11:42:18 25 Q. Okay. And did he have the -- did you

11:42:21 1 have a belief that he was sort of acting outside
2 of the scope of the authority you had granted him?

3 MR. SOLOMON: Objection.

4 MR. CERESNEY: I'm going to --
11:42:29 5 I'm going to instruct the witness not to
6 talk about the authority he's granted
7 [REDACTED] because that gets into the
8 substance of legal advice.

9 MR. TENREIRO: The authority he's
11:42:36 10 granted him gets into the substance of
11 legal advice?

12 MR. CERESNEY: Yeah, it does.

13 MR. TENREIRO: Okay.

14 MR. CERESNEY: And, by the way,
11:42:39 15 it's a good time for a break. So if you
16 want to finish this document.

17 MR. TENREIRO: Sure.

18 BY MR. TENREIRO:

19 Q. Did -- after -- after this email
11:42:46 20 exchange, did you avoid -- did Ripple avoid
21 contact with Val to coordinate with [REDACTED]?

22 A. I don't know.

23 MR. SOLOMON: Objection.

24 MR. TENREIRO: Okay. Let's go
11:42:54 25 off.

11:42:55 1 THE VIDEOGRAPHER: Okay. Going
2 off the record at 11:44.

3 (Whereupon, a recess is taken.)

4 THE VIDEOGRAPHER: Back on the
11:57:36 5 record, 11:59.

6 BY MR. TENREIRO:

7 Q. Okay. Just to finish up on 94,
8 Mr. Garlinghouse, do you see that the subject
9 matter -- the subject is "Heads up: Adverse
11:57:45 10 action by [REDACTED] Re: XRP and Ripple"? Do
11 you see that?

12 A. I do.

13 Q. Okay. So do you think, based on that
14 and based on who the email is from, that you would
11:57:55 15 have read it or not read it?

16 MR. SOLOMON: Objection to form.

17 A. I think it's likely I opened this email.
18 I think it's likely I read it. I don't recall
19 specifically reading it.

11:58:04 20 Q. Okay. Now, I --

21 A. I do now recall who [REDACTED] is, but
22 it's not a name that I knew.

23 Q. Who is [REDACTED]?

24 A. [REDACTED] was, I think, maybe
11:58:14 25 affiliated with [REDACTED], but he and two partners had a

11:58:20 1 firm that were trying to advise. And my general
2 view is [REDACTED] and his partners were trying to take
3 advantage of what they viewed as an opportunity to
4 make money. And I -- my experience with the group
11:58:37 5 was they embellished realities and overpromised,
6 you know, what they were capable of.

7 Q. So let me try to unpack that.

8 They were trying to advise -- you said
9 "[REDACTED] was, I think, maybe affiliated with
11:58:52 10 [REDACTED], but he and two partners had a firm that were
11 trying to advise."

12 Trying to advise Ripple?

13 A. Yes.

14 Q. Okay.

11:58:58 15 A. And I do believe we actually paid them
16 some money to be advisors for some period of time.
17 I was not an advocate and I found it to be -- you
18 know, one of the things -- or particularly early,
19 after we received the SEC letter, you know -- I
11:59:15 20 think, you know, having more people involved is
21 not necessarily better. And I think Chris Larsen
22 and I didn't always agree on that.

23 And so for me, this was yet -- yet
24 another group that was trying to extract money
11:59:28 25 from Ripple that promised to be helpful in some

11:59:31 1 way.

2 Q. So when you said earlier they saw --
3 "they were trying to take advantage of what he
4 viewed as an opportunity to make money," are you
11:59:39 5 referring to an opportunity to make money by
6 advising Ripple with respect to the SEC issue?

7 A. I believe that's correct.

8 Q. Okay. And you also said you paid them
9 some money. How much?

11:59:54 10 A. I don't recall. I do recall thinking
11 they were offensively expensive.

12 Q. Was it at least [REDACTED]?

13 A. Order of magnitude. That would be what
14 I would have guessed, but I don't recall.

12:00:06 15 Q. If you thought they were offensively
16 expensive, why did you pay them? Why did Ripple
17 Pay them?

18 A. Chris Larsen hired them.

19 Q. So it was Mr. Larsen's decision?

12:00:14 20 A. I believe it was Chris Larsen's decision
21 to engage this particular group of, the
22 triumvirate of [REDACTED] and his compatriots.

23 THE REPORTER: Repeat. "I
24 believe it was Chris Larsen's..."

12:00:27 25 A. I believe it was Chris Larsen's decision

12:00:27 1 to engage [REDACTED] and him compatriots.

2 Q. Did you express to Mr. Larsen your
3 differing views as to whether it was a good idea
4 to have Shrier?

12:00:35 5 MR. SOLOMON: Outside the
6 presence of counsel.

7 A. I -- I think Chris was aware of my view
8 that more doesn't always equal better. And that
9 applied to this group and just in general our
12:00:54 10 partnership and working together at Ripple over
11 the six and a half years that we've worked
12 together.

13 Q. But Mr. Larsen had the authority to hire
14 this group irrespective of your views on whether
12:01:05 15 you should hire that group?

16 MR. SOLOMON: Objection to form.

17 A. Mr. Larsen's the chairman -- executive
18 chairman of Ripple. If he wants to hire an
19 advisor, you know, unless I'm going to lay in the
12:01:22 20 tracks, I'm not sure that's, you know, okay.

21 Q. Does he ask you, like, for your
22 permission when he wants to hire an advisor? Has
23 he ever done that?

24 A. I mean, we don't really have a dynamic
12:01:38 25 where somebody asks permission. We discuss

12:01:43 1 professional courtesy and respect, but, you know,
2 Chris and I don't always agree.

3 Q. Sure.

4 If Mr. Larsen had wanted to file a
12:01:50 5 registration statement with the SEC for XRP sales,
6 could he have done that?

7 MR. SOLOMON: Objection; calls
8 for speculation.

9 Q. As far as you know.

12:01:58 10 A. I don't think any one individual could
11 have filed a registration statement. It would
12 have taken a collaboration of lawyers, advisors,
13 work, time. And so I don't think Chris Larsen
14 could have. I don't think I could have. I think
12:02:16 15 a team effort would have enabled that.

16 Q. Right. I'm not talking about actually
17 doing it. I'm talking about making the decision.
18 I'm sorry.

19 Could he have made that decision? Hey,
12:02:29 20 this is what we're going to do. We're filing a
21 registration statement.

22 A. I --

23 MR. CERESNEY: Objection to form.

24 MR. SOLOMON: Objection.

12:02:35 25 A. I think Chris Larsen, as the executive

12:02:36 1 chairman, had immense influence. And, by
2 extension, if he came to me and said, you know,
3 we're -- hey, absolutely there should be a
4 registration statement filed, I think we would
12:02:50 5 have gotten behind that and made it happen.

6 Q. Did Mr. Larsen tell you why he decided
7 to hire [REDACTED] outside of the presence of counsel?

8 A. I don't recall.

9 Q. Okay.

12:03:03 10 A. I didn't recall who he was.

11 Q. Sure.

12 MR. TENREIRO: Let's do 41, which
13 is an email I think a day later than 94.

14 (Whereupon, exhibit is received
12:03:19 15 and marked Garlinghouse Deposition
16 Exhibit 41 for identification.)

17 MR. TENREIRO: And while you take
18 a look, it's a two-page email, RPLI_SEC
19 949371.

12:04:35 20 (Pause)

21 BY MR. TENREIRO:

22 Q. Okay. Mr. Garlinghouse, do you see that
23 the title of the email, the subject, is "FYI:
24 [REDACTED] report was changed to be more
12:04:44 25 favorable"? Do you see that?

12:04:45 1 A. I do.

2 Q. Do you think you would have read an
3 email that said that?

4 A. I don't think subject lines are a major
12:04:52 5 determinant of whether or not I read an email. So
6 I don't think that would have necessarily impacted
7 whether or not I read it.

8 Q. How about who it's copied to?

9 A. Well, when you look at your inbox, you
12:05:06 10 don't see who is copied on an email. So I don't
11 think that would be a primary determinant.

12 Q. What would be the primary determinant
13 then?

14 A. How busy I was that day.

12:05:16 15 Q. Did you read this email?

16 A. I don't recall.

17 Q. Okay. Did you -- Mr. Larsen does not
18 appear to be copied on this email, right?

19 A. That's correct.

12:05:28 20 Q. Given that Mr. Larsen had hired [REDACTED],
21 did you convey to him what [REDACTED] was reporting to
22 you here?

23 MR. SOLOMON: Objection to form.

24 A. I don't recall.

12:05:42 25 Q. You -- you were at this time -- this is

12:05:44 1 the summer of 2018, so you were having
2 conversations with the SEC. I think you mentioned
3 meetings where I was, commissioners, et cetera, et
4 cetera, is that correct?

12:05:51 5 MR. SOLOMON: Objection to form.

6 A. Certainly in the summer -- well, I don't
7 remember when I met with the -- you or the SEC
8 specifically. By virtue of the emails you've
9 shown me today, I have seen that I apparently met
12:06:07 10 with some people at the SEC on November 9th. But
11 I think your question was did I meet with --

12 Q. Just --

13 A. -- in the summer of 2018? And I
14 think -- I don't recall the summer of 2018.

12:06:18 15 Q. Fair to say that in late 2018, from,
16 like, the middle to the latter part of 2018, you
17 were having SEC meetings with SEC staff?

18 MR. SOLOMON: Objection to form.

19 A. I don't know how many meetings we had at
12:06:31 20 the SEC in that time period.

21 Q. Was Val in some of the meetings?

22 Ms. Szczepanik.

23 A. I'm re meeting -- I remember meeting Val
24 Szczepanik at one of the SEC meetings. I don't
12:06:45 25 know when that meeting took place.

12:06:47 1 Q. And in these meetings, I think,
2 generally -- generally speaking, you were -- one
3 of the things you were doing was providing
4 information about Ripple and XRP, is that right?
12:06:54 5 Educating I think you said?

6 MR. SOLOMON: Objection to form.

7 A. Answering questions, sharing
8 perspectives about what's going on in crypto and
9 what's going on in the XRP markets, what -- what
12:07:07 10 Ripple is doing.

11 Q. In any of the meetings with the
12 commissioners, did -- or with any SEC staff, did
13 you tell them when you were discussing what Ripple
14 was doing that Ripple had to pay [REDACTED] to
12:07:19 15 [REDACTED]?

16 A. I seriously doubt that I would have done
17 that. I -- I mean, even today I didn't know who
18 [REDACTED] was until you refreshed my memory. I would
19 not have considered -- what's the name of this
12:07:33 20 group? [REDACTED]? [REDACTED] thing? I
21 didn't consider them a particularly relevant or
22 impactful point in our conversations with the SEC.

23 Q. [REDACTED] references that "a negative
24 mention of Ripple was removed - but swung to a
12:07:58 25 somewhat positive."

12:08:01 1 Do you see that?

2 A. I do.

3 Q. Okay. Did you mention that to the SEC
4 when you met with the SEC?

12:08:06 5 A. I am certain I would not have. I mean,
6 I don't consider [REDACTED] to be a particularly
7 credible person, and so I wouldn't want to present
8 not credible information to the SEC.

9 Q. Right.

12:08:27 10 Did you have -- did there come any time
11 on or after 2018 where Ripple engaged in
12 activities relating to removing negative mentions
13 of Ripple from public statements?

14 MR. CERESNEY: Objection; form.

12:08:43 15 A. Could you repeat the question?

16 Q. Did there come any time on or after 2018
17 where Ripple engaged in activities relating to
18 removing negative mentions of Ripple from public
19 statements?

12:08:55 20 MR. SOLOMON: Objection; form.

21 A. I guess the way I think about this is we
22 engage a PR firm with the goal of educating,
23 sharing and communicating with the world about
24 what Ripple is doing. To the extent a reporter
12:09:13 25 has signaled that they have a negative viewpoint

12:09:16 1 about X or Y or Z, would we, meaning Ripple and/or
2 our PR firm, seek to obviate, minimize, or
3 otherwise dampen a negative reference? Yes, I'm
4 sure we did that.

12:09:35 5 Q. So, like, letters to The New York Times,
6 for example, is that included in those efforts?

7 MR. SOLOMON: Objection; form.

8 A. What -- what do you mean, a letter to
9 The New York Times?

12:09:46 10 Q. About [REDACTED].

11 MR. SOLOMON: Objection; form.

12 A. You mean -- maybe you could be more
13 specific with your question if you would.

14 Q. Yes. Was a letter to The New York Times
12:09:54 15 about [REDACTED] a part of the efforts to --
16 seeking to obviate, minimize or otherwise dampen
17 negative references?

18 A. Well, I think what you're referencing is
19 an email to -- to an editor to -- with whom I had
12:10:10 20 a previous -- well, I don't know exactly what
21 you're referencing. I didn't send a letter to The
22 New York Times.

23 Q. Did you send an email to The New York
24 Times?

12:10:18 25 A. I sent an email to an editor on the West

12:10:20 1 Coast with whom -- I had known for some years
2 seeking to sit down and talk about [REDACTED]
3 [REDACTED]'s posture towards Ripple.

4 Q. Okay. So to the extent that Ripple
12:10:31 5 hired a PR firm to, again -- the reporter has
6 signaled that they might have a negative view
7 about X, Y or Z, Ripple and the PR -- the PR firm
8 might seek to obviate, minimize or otherwise
9 dampen negative references.

12:10:47 10 To the extent Ripple did that, is that
11 any different than what Ripple hired [REDACTED] to
12 do?

13 MR. SOLOMON: Objection; form.

14 A. Look, sitting here today, I can't tell
12:10:57 15 you why we hired [REDACTED] and what he was
16 supposed to do or what he did do.

17 Q. Okay.

18 A. I did not consider him a particularly
19 credible person/resource. I found his -- as I, I
12:11:05 20 think, testified earlier, I found him to
21 embellish, overstate. I didn't -- I didn't
22 basically trust him.

23 Q. Okay. But Ripple did hire a PR firm --
24 and we're talking about [REDACTED], right? -- to
12:11:17 25 dampen/obviate negative references, right?

12:11:21 1 MR. SOLOMON: Objection; form.

2 A. Well, I mean, you hire a PR firm to do
3 lots of things. You're -- a subset of that would
4 be what you're describing.

12:11:28 5 Q. Any other advisor that you might have
6 hired for the purpose -- and understanding that
7 you might hire an advisor for several purposes,
8 but is there any other advisor that you hired for
9 that purpose, seeking to obviate, minimize or
12:11:42 10 otherwise dampen negative references about Ripple?

11 A. I -- we definitely have other PR firms.
12 I can't name them all. I think we have one in --
13 I think we might have two in Asia and one in
14 Europe that are on some sort of retainer. And
12:12:05 15 those are the only PR firms that -- I mean, again,
16 it depends a little bit -- dampen, obviate,
17 otherwise minimize -- I can't remember exactly the
18 phrases I used, but I think my experience in
19 Silicon Valley, my experience professionally, is
12:12:26 20 many, many, many, many companies hire PR firms to
21 engage in reactive and proactive communication
22 with press.

23 Q. But other than PR firms, did Ripple hire
24 other advisors to either, you know, dampen
12:12:42 25 negative references or engage in reactive or

12:12:46 1 proactive communications with press?

2 A. Yes.

3 Q. Okay. Who?

4 A. I -- I -- I can't name all of them. As
12:13:00 5 I said, [REDACTED] was the primary one, based in San
6 Francisco, with whom we had some relationship. I
7 actually don't think we use [REDACTED] anymore. I
8 don't know who replaced them. Maybe [REDACTED]? I'm
9 not a hundred percent sure.

12:13:15 10 We have worked with -- in Washington we
11 worked with a group called [REDACTED]. And the firms
12 outside in -- in Japan and otherwise I don't know
13 the names of.

14 Q. Right. But I'm asking for other
12:13:28 15 advisors who are not PR firms.

16 A. Oh. Oh, to work on those --

17 Q. Yeah.

18 A. I mean, I couldn't -- I guess the answer
19 to your question is yes. [REDACTED] apparently
12:13:42 20 falls in that. As we saw earlier, I had no
21 recollection of who [REDACTED] was until I saw
22 this email. And so I would imagine there's
23 someone else who we may have hired during that
24 time period. I think the answer's yes.

12:13:55 25 Q. But you just can't recall who?

12:13:57 1 A. I don't recall.

2 Q. Okay. And so who -- what about -- who
3 is [REDACTED] ?

4 A. [REDACTED] was a board member at Ripple.

12:14:08 5 Q. Okay. When did you meet him?

6 A. I met him as an introduction from Chris
7 Larsen. And I don't remember exactly when. I
8 guess I would -- somewhere, I'm guessing, 2017.

9 Q. And is he still on the board?

12:14:27 10 A. He is not.

11 Q. Do you recall when he left?

12 A. I don't recall the exact timing. I
13 think it was right before the presidential
14 election. So probably about a year ago. Is that
12:14:45 15 right? Twenty -- yeah.

16 Q. Why did -- who asked him to join the
17 board?

18 THE REPORTER: I'm sorry?

19 Q. Who asked him to join the board?

12:14:51 20 A. Chris Larsen, I guess, nominated him to
21 join the board. I believe he met with a couple of
22 the other board members, including myself. And he
23 joined the board, I think, in 2017.

24 Q. And does he own XRP?

12:15:14 25 A. I believe the answer to that is yes. I

12:15:15 1 generally had a practice of not asking people
2 about their personal XRP transactions outside of
3 Ripple.

4 Q. Okay. And let -- let's take a look at
12:15:34 5 Exhibit 27.

6 And while we get that exhibit, other
7 than being on the board, what other relationship,
8 if any, did Mr. [REDACTED] -- sorry, [REDACTED],
9 have with Ripple?

12:15:45 10 A. I don't recall specifics. I think he
11 may have been an advisor to Ripple prior to -- oh,
12 two things. One, I think he was a -- prior to
13 joining the board, I think he was an advisor of
14 some sort, about which I don't remember the
12:15:58 15 specifics.

16 He also started a website called [REDACTED]
17 [REDACTED], of which he was -- I don't know what
18 his role was at [REDACTED] Owner? And
19 Ripple did a sponsorship of [REDACTED] for a
12:16:19 20 couple of years.

21 Q. Why did Ripple do that sponsorship?

22 A. I think -- I think having more
23 reputable, good journalism around crypto is good
24 for the crypto industry. I personally have never
12:16:38 25 thought [REDACTED] as one of the primary -- you

12:16:41 1 know, I think the lexicon -- you know, trade rags
2 of the crypto industry. I've never thought
3 [REDACTED] was that great. And so to the extent
4 that there are other more reputable outlets that
12:16:57 5 have financial success, that's good for the crypto
6 industry. And I generally think what's good for
7 the crypto industry is probably good for Ripple.

8 Q. And [REDACTED] had experience as a
9 journalist?

12:17:10 10 MR. SOLOMON: Objection; form.

11 A. He did. He did have experience as a
12 journalist. I believe he was publisher or editor
13 of a New York-based publication called The
14 Observer.

12:17:25 15 Q. Okay. And [REDACTED] offered to
16 introduce Ripple to people connected to the Trump
17 administration?

18 MR. SOLOMON: Objection; form.

19 A. I believe that's fair, yeah.

12:17:42 20 Q. And did he?

21 A. Yes.

22 Q. Who did he introduce you to?

23 A. He introduced me to Jared Kushner.

24 Q. Okay. You personally?

12:17:53 25 A. Yes.

12:17:53 1 Q. What was the purpose of the
2 introduction?

3 A. You know, it was, frankly, I'd say, more
4 social than it was professional. We met on a
12:18:02 5 Sunday morning at a country club and we sat
6 informally around a pool table -- or, sorry, a
7 swimming pool at a country club and I don't
8 remember all the things we discussed.

9 Q. So I only -- I'm only interested in
12:18:17 10 whatever part of it that was professional.

11 Do you recall what the purpose of the
12 introduction was?

13 A. You know, I think the more we have --
14 the more there are influential senior people who
12:18:32 15 are believers in the crypto industry and how it's
16 evolving and the need for clear regulation in the
17 United States to help that industry thrive in the
18 United States, I think that's good for the crypto
19 industry. I think it's good for Ripple. You
12:18:44 20 know, good for the industry.

21 Q. And so Mr. Kushner was one of those
22 people?

23 A. One --

24 Q. One of those people who believed in the
12:18:54 25 crypto industry and how it's evolving?

12:18:56 1 A. No, I don't think that was my testimony.
2 I -- I -- I think I said we wanted to evangelize
3 and educate people of influence about --

4 Q. I see.

12:19:08 5 A. And I would think many people in the
6 room probably agree that Mr. Kushner was a person
7 of influence.

8 Q. I see.

9 So you -- so more -- sorry. More --
12:19:15 10 more to educate/evangelize to him about crypto?
11 That was the professional purpose of the meeting
12 to the extent there was one?

13 MR. SOLOMON: Objection; form.

14 A. Yeah, again, I don't think I'd call it a
12:19:25 15 meeting. I think I might have been wearing a
16 swimsuit.

17 Q. Did you ask him to introduce you to
18 other people?

19 A. No.

12:19:36 20 Q. Did you ask him to talk to the SEC
21 about, you know, XRP?

22 A. No.

23 Q. Did you ask -- did you or anyone at
24 Ripple ask the staff of Senator Cotton to talk to
12:19:49 25 the SEC about XRP?

12:19:52 1 A. I don't recall. I don't know.

2 Q. Did you have conversations with the
3 staff of Senator Cotton about XRP?

4 A. I don't recall.

12:20:01 5 Q. And who -- what documents might refresh
6 your recollection about that? Would it be your
7 meeting agenda, your calendar, or something else?

8 MR. SOLOMON: Objection; form.

9 A. I recall meeting with Senator Cotton. I
12:20:14 10 don't recall meeting with any of his staff. I
11 don't recall speaking to any of his staff. And I
12 don't know what documents would refresh my memory.

13 Q. You recall meeting with him.

14 Did you discuss Ripple or XRP at the
12:20:29 15 meeting or was it about something else?

16 MR. SOLOMON: Objection; form.

17 A. We did discuss Ripple and I don't
18 remember the specifics. It was, you know, I think
19 two years ago? I don't remember exactly. It was
12:20:44 20 a while ago. And he came to our office and we
21 talked about what Ripple's doing and -- I guess it
22 may have been more than two years ago just given
23 COVID time. So two and a half years ago maybe.

24 Q. After the SEC letter? After you
12:20:59 25 received the SEC letter?

12:21:00 1 A. I -- I actually don't recall, but that's
2 certainly possible.

3 Q. Did you discuss the SEC with him?

4 A. I don't recall.

12:21:12 5 Q. Did anyone take notes at the meeting?

6 A. I don't know.

7 Q. Do you have a practice about taking
8 notes?

9 A. Me personally? No.

12:21:20 10 Q. You or, you know, maybe your assistant,
11 the people who came with you to the meetings.

12 A. Generally speaking, no. I -- there was
13 not a practice. Maybe one of the blessings and
14 curses of being a start-up is things don't have a
12:21:40 15 practice as opposed to you're kind of trying to
16 figure it out every day.

17 Q. Did Mr. Kushner offer to speak with
18 anyone about Ripple?

19 A. I suspect yes. I -- I don't have a
12:21:55 20 specific -- well, I mean, he offered to organize
21 a -- what was largely a social visit with
22 Mr. Kushner. I --

23 Q. Sorry. I asked if Mr. Kushner offered
24 to speak with anyone at Ripple.

12:22:10 25 A. Oh, sorry. I thought you asked

12:22:12 1 [REDACTED] Sorry. I apologize.

2 Q. No, no. Kushner.

3 A. I don't recall.

4 (Whereupon, exhibit is received

12:22:31 5 and marked Garlinghouse Deposition

6 Exhibit 27 for identification.)

7 BY MR. TENREIRO:

8 Q. Here's Exhibit 27.

9 (Pause)

12:24:43 10 Q. Okay. Sorry.

11 Mr. Garlinghouse, do you see this email
12 thread with you, Ms. O'Gorman, and Monica Long?

13 A. I do.

14 Q. Okay. And here Ms. O'Gorman references

12:25:08 15 [REDACTED] asking Chris Giancarlo to state certain things
16 in an upcoming speech.

17 Do you see that?

18 A. I do. I'm not sure if your
19 characterization is correct about who wrote that.

12:25:21 20 Q. Who wrote it?

21 A. I don't know.

22 Q. Well, I -- I wasn't -- I wasn't saying
23 who wrote it. I'm simply asking you --

24 A. I think you asked me do you see what

12:25:35 25 Ms. O'Gorman asked as it relates to [REDACTED] asking

12:25:39 1 Giancarlo. And I'm just saying I don't know.
2 Given the indented structure of this email, I'm
3 not sure who wrote the email part you're
4 referencing.

12:25:46 5 Q. Right.

6 I'm simply saying there was some idea
7 going on that [REDACTED] might ask Chris Giancarlo
8 to say certain things, is that correct?

9 MR. SOLOMON: Objection; form.

12:26:00 10 A. It looks like there's a -- I'm sorry,
11 repeat the question one more time.

12 Q. Is there this sort of idea being
13 discussed at Ripple at this time that [REDACTED]
14 might ask Chris Giancarlo to make statement --
15 certain statements?

16 A. It looks like there's some desire to get
17 the then-chair, I think, of the CFTC to
18 differentiate between consumer-facing digital
19 currency use cases versus institutional.

12:26:26 20 Q. What is consumer facing?

21 A. Could you elaborate on that question,
22 please?

23 Q. What does consumer-facing digital
24 currency use cases mean?

12:26:42 25 A. I mean, I don't know. I didn't write

12:26:46 1 it.

2 Q. Just generally, forget the email, what
3 is -- if you hear "consumer-facing digital
4 currency use cases," what do you understand that
12:26:57 5 to mean?

6 A. Well, if I heard that in 2017 versus
7 2021, I might have a different answer. In 2017,
8 when this email was written, I'm probably thinking
9 about -- you know, this is around the time when
12:27:08 10 there had been an explosion of ICO activity and
11 you had things like Bananacoin being launched and
12 you had, frankly, I think, lots of craziness going
13 on in the market.

14 Some of those had consumers in mind as
12:27:22 15 direct -- direct adopters or direct, even,
16 investors. And so I don't know beyond that what
17 they're referencing.

18 Q. And back in 2017, you would distinguish
19 XRP from that? You know, you're absolutely
12:27:43 20 welcome to look at the email, but I'm just asking
21 you, if you're sitting back in 2017, would you
22 distinguish XRP from consumer-facing digital
23 currency use cases?

24 A. When you ask that, what are you thinking
12:28:01 25 of as a consumer-facing --

12:28:02 1 Q. It's whatever you mean as
2 consumer-facing digital currency use cases.

3 MR. SOLOMON: I think those
4 questions are -- are vague and hard for me
12:28:09 5 to follow. I don't know if you can follow
6 them, but...

7 A. I don't know what -- I don't know who
8 wrote this. I don't know what they meant when
9 they said "consumer-facing digital currency use."
12:28:17 10 You're asking me a question about using the
11 expression digital facing consumer -- or
12 digital -- whatever the -- and I'm asking what you
13 mean by that.

14 Q. Do you not understand the phrase, the
12:28:25 15 term then, "consumer-facing digital currency"?

16 A. I think there's lots of potential
17 interpretations of what that means.

18 Q. Okay. Is -- you also mentioned that
19 your understanding might be different in 2017 than
12:28:37 20 in 2021.

21 How has that evolved?

22 A. I think in the four years since this
23 email was written, the crypto markets, digital
24 currencies, have changed and evolved a lot. You
12:28:53 25 know, there's lots of ways to measure that. And

12:28:58 1 so, you know, without knowing who wrote it,
2 without knowing what they meant, it's just hard
3 for me to know how to answer the question.

4 Q. Again, setting the email aside, you
12:29:06 5 know, did there come times in, say, 2017 and 2018
6 when you stated publicly your view that you did
7 not think of the use case for digital currencies
8 as, you know, buying things, like going to
9 Starbucks and getting a cup of coffee?

12:29:22 10 A. That's directionally accurate. It's a
11 little bit incomplete. I -- you know, I think
12 what I have said publicly is I more often than
13 not, particularly in that time period, referred to
14 these as digital assets or crypto assets. What I
12:29:35 15 typically pointed out is to the extent you're
16 thinking of these as fiat currencies, I had said
17 that I view the G20 fiat currencies -- and
18 typically I call it the dollar or euro or yen --
19 as very effective in solving the use case and
12:29:56 20 problems that -- for consumer -- consumer-facing
21 experiences.

22 I have often gone on to explain there
23 are some markets where that's less true outside
24 the G20 where governments have effectively lost
12:30:11 25 control of their currencies already and, by

12:30:12 1 extension, there might be more consumer interest,
2 consumer demand, consumer usefulness.

3 But I typically have pointed out for a
4 U.S. audience, whether it be media or a panel,
12:30:28 5 that for those that are saying we're going to use
6 bitcoin to buy coffee at Starbucks or bitcoin at
7 Amazon, I've found that to be, particularly in
8 2017, less likely.

9 Q. Has that view changed?

12:30:46 10 A. A little bit.

11 Q. How so?

12 A. Maybe I'm wrong.

13 Q. But how -- how -- how has your view
14 changed? Do -- do you view --

12:30:56 15 A. The adoption, usage and custody of
16 cryptocurrencies here in the United States by
17 consumers has exceeded what I might have forecast
18 four years ago.

19 Q. In your last couple of answers, you --
12:31:09 20 you have used the word "consumers" a number of
21 times. And I think I understand when you're using
22 that word you're talking about people who might go
23 to Starbucks with a digital currency. Is that
24 fair?

12:31:19 25 A. Sure.

12:31:19 1 Q. Okay. In this email -- I know you don't
2 know who wrote it. In this email, do you see a
3 distinction between Ripple's XRP and that sort of
4 consumer use case?

12:31:29 5 MR. SOLOMON: Objection; calls
6 for speculation, asked and answered.

7 You can answer as best you can.

8 A. You know, as you're well aware, there
9 are lots of ways that XRP is used outside of what
12:31:47 10 Ripple does with XRP. There are today, and there
11 were in 2017, consumer-facing experiences of how
12 people used XRP.

13 Ripple's approach, both then -- well,
14 I'll just talk about then and when it was written.
12:32:05 15 Ripple's approach and how we pri -- focused on
16 using XRP was using XRP to solve an institutional
17 liquidity management problem. And so I think for
18 purposes of this email, my guess is they're trying
19 to make that distinction.

12:32:24 20 Q. So Ripple's approach back then was
21 not -- Ripple's approach was not the
22 consumer-facing experience. Is that fair?

23 MR. SOLOMON: Objection; form.

24 A. I think what I said is, you know, lots
12:32:42 25 of people in the XRP ecosystem, and including

12:32:45 1 2017, there were certainly consumer use cases of
2 XRP in 2017. Ripple's focus and the customers we
3 were targeting was more to use XRP at an
4 institutional level for liquidity management.

12:32:59 5 Q. Not to go to Starbucks to buy their
6 coffee?

7 A. Not to go to Starbucks to buy their
8 coffee.

9 Q. Okay. And has that changed?

12:33:06 10 A. I mean, Ripple's --

11 Q. I'm not talking --

12 (Indiscernible cross talk; reporter
13 requests one speaker.)

14 A. I don't think Ripple's focus has
12:33:14 15 changed.

16 Q. Okay.

17 A. As I said, to the extent my opinion
18 about this topic has changed over the years, I
19 have been surprised by the breadth of consumer
12:33:25 20 adoption of cryptocurrencies, including XRP, and
21 how people are using them beyond what I might have
22 thought given the strength of the dollar and what
23 have you.

24 Q. Sure.

12:33:37 25 (Whereupon, exhibit is received

12:33:37 1 and marked Garlinghouse Deposition
2 Exhibit 97 for identification.)

3 BY MR. TENREIRO:

4 Q. All right. let's look at Exhibit 97.

12:34:13 5 MR. SOLOMON: Just for the
6 record, pages 3, 4 and 5 are something
7 akin to an Excel spreadsheet-like chart
8 and it is impossible for me to read and I
9 have 20/20 vision.

12:34:26 10 So I want you to be careful
11 about answering questions on those last
12 four pages.

13 MR. TENREIRO: Sure. And it's
14 there for completeness. I don't think I
12:34:34 15 have questions on those sheets. I might.

16 MR. SOLOMON: Right. And I'm not
17 being difficult. I just wanted to point
18 out I just can't read it.

19 MR. TENREIRO: We can blow it up
12:34:58 20 on the laptop if we need to read it.

21 MR. SOLOMON: Yeah, that's
22 perfect.

23 (Pause)

24 BY MR. TENREIRO:

12:36:14 25 Q. Can you read the attachment?

12:36:15 1 A. Not all of it. I wear glasses, which
2 helps. No.

3 Q. Focus in on the email first. If
4 you're -- if you're still reading, go ahead.

12:36:44 5 MR. SOLOMON: Why don't you
6 just -- would it be okay if he just read
7 the email or do you want him to make sure
8 that he's read the whole thing?

9 MR. TENREIRO: I want to ask
12:36:50 10 about the email, but I don't want to stop
11 him from reading if he wants to read it.

12 THE WITNESS: I'm good.

13 BY MR. TENREIRO:

14 Q. Okay. What is -- what is this email
12:36:56 15 about in your own words, Mr. Garlinghouse?

16 A. This is an email from [REDACTED]
17 soliciting a renewal of previous marketing spend
18 on the website [REDACTED]

19 Q. The -- at the bottom of the email,
12:37:10 20 there's a reference to [REDACTED] the same as
21 Ripple had paid over the last three years."

22 Do you see that?

23 A. I do see that.

24 Q. Is that accurate, that Ripple --

12:37:21 25 A. I don't actually think it is.

12:37:23 1 Q. Okay. What do you think the payments
2 were?

3 A. I think that that's an increase, but I'm
4 not sure.

12:37:27 5 Q. Did you -- did Ripple approve this --
6 did Ripple respond to this request?

7 A. I don't recall.

8 Q. Okay. Would it be reflected in bank
9 records?

12:37:43 10 A. Well, I thought you meant did someone
11 reply to the email.

12 Q. No. Did Ripple simply respond to the
13 request in any way?

14 A. I -- I think we ended up spending maybe
12:37:51 15 [REDACTED] in 2021 on [REDACTED]

16 Q. Okay. And you referred to it as a
17 marketing spend?

18 A. It would have been considered a
19 marketing spend, yeah.

12:38:04 20 Q. What does that mean?

21 A. I mean, my recollection is that we
22 actually got ads on the website.

23 Q. In the -- in the email he's referencing
24 all the stories about XRP and Ripple that he's
12:38:17 25 published.

12:38:18 1 Do you see that?

2 A. Well, if you look at the list, I mean,
3 there's a bunch of stories that have nothing to do
4 with Ripple or XRP.

12:38:25 5 Q. I understand that. But in the email, is
6 he not referencing -- I mean, why don't we just go
7 through it.

8 "I have been able" -- "I believe we've
9 been able to show over the course of the year that
12:38:37 10 the site has been incredibly valuable in advancing
11 Ripple's aims. I've attached a spreadsheet that
12 contains almost 50 stories that align with
13 Ripple's goals."

14 Do you see that?

12:38:46 15 A. Yes, I see that.

16 Q. Okay. So why is he referencing stories
17 that align with Ripple's goals in his request for
18 funding?

19 MR. SOLOMON: Objection; calls
12:38:54 20 for speculation.

21 A. I don't know.

22 Q. Were the ads for Ripple or for XRP?

23 A. Ripple.

24 Q. If I -- if I clicked on the ad, what
12:39:05 25 would it take me to?

12:39:05 1 A. I think it would take you --

2 MR. SOLOMON: Objection.

3 A. I think it would take you to the Ripple
4 website.

12:39:10 5 Q. The how to buy XRP part of it? Which
6 part of it?

7 A. I don't know.

8 Q. Okay. You don't know either way, so it
9 could have been that part?

12:39:19 10 A. I would be very surprised if that were
11 the case.

12 Q. Why?

13 A. When Ripple thinks about its marketing
14 of Ripple, its primary goal is signing up
12:39:31 15 financial institutions to RippleNet or other
16 goals.

17 Q. And one of the ways you sign up
18 financial institutions is ads on [REDACTED]
19 [REDACTED]?

12:39:39 20 MR. SOLOMON: Objection; form.

21 A. We spend marketing dollars to generate
22 leads on financial institutions globally in lots
23 of different ways. One of them has been spending
24 money on [REDACTED]

12:39:53 25 Q. And has [REDACTED] ever sort of given

12:39:56 1 you any, like, traffic numbers to show that
2 financial institutions are visiting his web to --
3 you know, so that it's sort of worth your money?

4 A. I mean, if -- maybe I can save us both
12:40:06 5 some time on this. I will stipulate up front that
6 I don't think this is the best marketing spend we
7 ever spent. I think a board member is
8 championing -- and as I testified earlier -- the
9 creation of a new website. It hopefully improves
12:40:22 10 the overall coverage of crypto and blockchain in a
11 way that matures the industry.

12 Even if that doesn't yield a direct
13 lead, as a board member it's probably something
14 that I'm going to be slightly more sympathetic to
12:40:40 15 than the specific measurement of how many
16 financial institution leads did we get from the
17 website. But we also may have gotten some leads.
18 I don't know.

19 Q. Sure.

12:40:49 20 And I guess my question is, do you have
21 any understanding as to why Mr. [REDACTED] is giving
22 you a list of articles published about crypto as
23 opposed to a list of leads you got from the ads on
24 his website?

12:41:01 25 MR. SOLOMON: Objection; asked

12:41:02 1 and answered.

2 A. I think he's trying to substantiate
3 something that he's saying that is his opinion by
4 providing data. I happen to have scanned some of
12:41:12 5 the stories and I don't agree with him.

6 Q. You don't agree with the stories?

7 A. I don't agree with his
8 characterization --

9 Q. Oh, I'm sorry.

12:41:20 10 A. -- that you read earlier.

11 Q. You don't agree with his
12 characterization that the site has been valuable
13 in advancing Ripple's aims?

14 MR. SOLOMON: Objection; form.

12:41:31 15 A. What he writes is "I believe we've been
16 able to show over the course of the year that the
17 site has been incredibly valuable in advancing
18 Ripple's aims. I've attached" --

19 THE REPORTER: You're going to
12:41:40 20 have to slow down.

21 THE WITNESS: Sorry.

22 MR. SOLOMON: Read -- read
23 slower.

24 A. "I believe we have been able to show
12:41:45 25 over the course of the year that the site has been

12:41:47 1 incredibly valuable in advancing Ripple's aims.
2 I've attached a spreadsheet that contains almost
3 50 stories that align with Ripple's goals."

4 The font size makes it challenging, but
12:42:00 5 I -- as I scan this, I have a hard time
6 understanding how the Central Bank of the Bahamas
7 launching the world's first central bank digital
8 currency aligned -- sorry.

9 MR. SOLOMON: It's not just me
12:42:18 10 even though you're wearing glasses, just
11 for the record.

12 A. That power -- tourism economy -- you
13 know, here's a -- "The nonprofit has already
14 joined forces with the Libra Association and Celo
12:42:27 15 Foundation to use blockchain technology to bring
16 the" --

17 THE REPORTER: You're going to
18 have to slow down when you read.

19 THE WITNESS: I apologize.

12:42:35 20 A. I don't think I need to read the
21 headlines. My point is [REDACTED] is seeking --
22 he's selling. He's seeking money from Ripple and
23 he's creating a narrative of why it would be good
24 for Ripple to do that. I'm reviewing what he said
12:42:53 25 and I'm reviewing his data he's substantiating it

12:42:56 1 with and I'm saying I don't know.

2 Q. In other words, you don't think that all
3 of these articles advance Ripple's goals?

4 A. Yeah. Yeah. I -- it's not clear to me
12:43:08 5 that what he is representing, that there's 50
6 stories that have -- "contains almost 50 stories
7 that align with Ripple's goals," I don't know if
8 that's true or not.

9 Q. There's a story, though, referenced
12:43:20 10 about Chris Giancarlo's statement that XRP is not
11 a security, right?

12 MR. SOLOMON: Let's focus in on
13 that. I want to see that one.

14 MR. TENREIRO: It's in the last
12:43:28 15 page that actually has language.

16 MR. SOLOMON: Okay. Give me a
17 minute to read that one, please.

18 THE WITNESS: Actually, can
19 somebody point to me where that is?

12:43:38 20 MR. SOLOMON: I really think you
21 guys should put this up or give him a
22 chance to really closely review it. I
23 don't think it's fair.

24 MR. TENREIRO: Yeah. It's just
12:43:48 25 on the last page with text on the middle

12:43:49 1 of the page. It's on 6/18/2020. "'Crypto
2 Dad' Chris Giancarlo." And I'll just read
3 it since I apparently have a little bit
4 better vision.

12:43:59 5 "'Crypto Dad' Chris Giancarlo:
6 XPR is not a security." That's the head.
7 The subhead is "The former Commodity
8 Futures Trading Commission chair was a
9 leading force in removing the Scarlett
12:44:08 10 'S' from bitcoin and ether, and he
11 remains influential. But making the same
12 argument for XRP is weakened as his law
13 firm works for Ripple."

14 BY MR. TENREIRO:

12:44:20 15 Q. Do you see that?

16 A. Yes.

17 Q. Does that article advance Ripple's
18 goals?

19 A. Yeah.

12:44:27 20 Q. Okay. And did you provide [REDACTED]
21 with talking points to share with Mr. Giancarlo
22 before he made public statements about XRP's
23 status under the securities laws?

24 A. Not that I'm aware of.

12:44:45 25 Q. Let's look at Exhibit 108, please.

12:44:48 1 (Whereupon, exhibit is received
2 and marked Garlinghouse Deposition
3 Exhibit 108 for identification.)

4 BY MR. TENREIRO:

12:44:49 5 Q. While they get it, do you think someone
6 who was a board member for Ripple for three years
7 understands Ripple's goals?

8 MR. SOLOMON: Objection; calls
9 for speculation.

12:44:57 10 A. I would hope so.

11 Q. Okay. Did Mr. Larsen have any input in
12 the decision to hire [REDACTED]?

13 MR. WARD: Object to form.

14 A. I don't think we hired [REDACTED].

12:45:12 15 Q. To pay [REDACTED].

16 A. Yes.

17 Q. What input did he have?

18 A. He thought we should do it.

19 Q. And did you think that you should do it?

12:45:25 20 A. I didn't know. I believe that advancing
21 journalistic credibility and journalistic
22 professionalism in the crypto industry is a good
23 thing. Whether or not [REDACTED] was the
24 best way to achieve that, I don't know.

12:45:43 25 Q. Did Ripple have involvement in [REDACTED]

12:45:46 1 [REDACTED]'s preparation of articles it might
2 publish on its website related to Ripple?

3 A. No. Well, wait, wait, wait. That's not
4 fair. You're asking me did Ripple have
12:45:58 5 involvement? I made myself available for
6 interviews by reporters who worked for [REDACTED]
7 [REDACTED] who then wrote articles about Ripple.
8 As he references, sometimes I didn't like them.

9 Q. And in terms of journalistic
12:46:12 10 professionalism, did you request that [REDACTED]
11 [REDACTED] disclose payments from Ripple to [REDACTED]
12 [REDACTED] when it was reporting on Ripple?

13 A. I believe -- you'd have to ask [REDACTED]
14 [REDACTED]. I believe [REDACTED] did have
12:46:26 15 information on its website that disclosed that [REDACTED]
16 [REDACTED]

17 Q. My question: In terms of journalistic
18 professionalism, did you request that [REDACTED]
19 [REDACTED] disclose payments from Ripple to [REDACTED]
12:46:38 20 [REDACTED] when it was reporting on Ripple?

21 A. I've never heard of any company --
22 that's a question for a journalist, not for the
23 company. For me to request The New York Times --
24 I mean, I don't know. At some point we have
12:46:53 25 sponsored things at Fortune Magazine. When they

12:46:56 1 write about Ripple, do they disclose that we have
2 spent marketing dollars on Fortune related -- you
3 know, that's a question for a journalist. I don't
4 think it's a question for Ripple.

12:47:05 5 Q. Right. My only question, though, was
6 whether you requested that.

7 MR. SOLOMON: Do you remember
8 requesting that?

9 A. I don't recall ever requesting that.

12:47:12 10 Q. Okay. Here's Exhibit 108, which is
11 GARL_Civil-1342. Two-page text messages.

12 THE WITNESS: Sorry. Could you
13 make a copy available for --

14 MR. SOLOMON: He's bringing some
12:47:24 15 more copies. Oh, do you have any more?

16 MR. TENREIRO: I gave you six.
17 There's just one page there.

18 THE WITNESS: Oh, sorry. Oh,
19 right. Sorry, sorry, sorry.

12:47:53 20 (Pause)

21 BY MR. TENREIRO:

22 Q. Okay. Having looked at that text chain,
23 does that refresh your recollection as to whether
24 you provided talking points to Mr. Giancarlo
12:48:47 25 through [REDACTED]?

12:48:49 1 A. I -- I still don't recall. I see that
2 on the piece of paper.

3 Q. So did you provide it? I mean, do you
4 have any reason to believe that you did not
12:49:02 5 provide talking points?

6 A. No, I see that I provided some
7 information to [REDACTED] via text messages. I --
8 I don't recall doing this.

9 Q. Why did you provide that information to
12:49:14 10 Mr. Kurson for ideas for -- let's be clear.

11 On the second page of the email -- of
12 the text chain, there appears to be a text from
13 you at 21:25:02.

14 Do you see that?

12:49:30 15 A. I do.

16 Q. Okay. Is that -- is that your phone
17 number?

18 A. It is.

19 Q. Okay. And it says "Here are three ideas
12:49:37 20 for C."

21 Do you see that?

22 A. I do.

23 Q. Is that a reference to Chris Giancarlo?

24 A. I presume.

12:49:42 25 Q. Okay. And then you have three points.

12:49:43 1 I'm not going to read them.

2 Why did you provide those points to C?

3 A. I think I'm suggesting ideas at [REDACTED]'s
4 request as to how Giancarlo could be helpful.

12:50:10 5 Q. Helpful to what?

6 A. To providing clarity in the market about
7 the regulatory status of XRP.

8 Q. By removing the Scarlett S as he called
9 it in the article on [REDACTED]?

12:50:23 10 A. I --

11 MR. SOLOMON: Objection; form.

12 A. I -- I mean, you're conflating -- you're
13 merging two things that have a lot of distance
14 between them in my mind, but...

12:50:30 15 Q. Well, the Scarlett S is a reference to
16 security, right? Is that how you understand it?

17 A. I -- I believe so.

18 MR. SOLOMON: Objection; form.

19 A. I'm not sure I read the article.

12:50:39 20 Q. Okay. And did [REDACTED] provide these
21 ideas to Mr. Giancarlo?

22 A. I don't know.

23 Q. In terms of advancing professional
24 behavior in journalism, did you request to

12:50:50 25 [REDACTED] that he disclose in his article about

12:50:51 1 Giancarlo that you had provided some of the
2 talking points?

3 MR. SOLOMON: Do you remember
4 doing that, Brad?

12:50:59 5 THE WITNESS: Well, hold --

6 MR. TENREIRO: Please don't
7 coach, Matt.

8 Q. Did you ask -- did you ask --

9 MR. SOLOMON: That's the question
12:51:03 10 you just asked.

11 MR. TENREIRO: No.

12 Q. I simply -- I asked you if you requested
13 to Mr. Kurson that he disclose that you had
14 provided talking points.

12:51:11 15 A. Okay. So the first thing, I think, is I
16 am not aware that the article you're referencing
17 was written by [REDACTED].

18 Q. Did you request to [REDACTED] that
19 [REDACTED] whoever wrote it, make a
12:51:22 20 disclosure about your talking points?

21 A. No. I don't think these talking
22 points -- let's look at the date on the previous
23 exhibit and see if --

24 Q. June 2020.

12:51:35 25 THE REPORTER: June?

12:51:35 1 MR. TENREIRO: 2020.

2 MR. SOLOMON: What's June 2020?

3 MR. TENREIRO: I think he's
4 looking for the date of the article.

12:51:46 5 MR. CERESNEY: Right. The
6 article is June 2020. His text
7 is January --

8 MR. TENREIRO: I understand.

9 MR. CERESNEY: The subsequent
12:51:51 10 email is December 2020.

11 A. Is your assertion that the text --

12 Q. I'm not making any assertions.

13 MR. CERESNEY: I think you
14 interrupted.

12:51:58 15 MR. SOLOMON: I think he thinks
16 you are. So maybe ask him questions.

17 BY MR. TENREIRO:

18 Q. My question is, did you request that

19 [REDACTED] disclose in the [REDACTED]

12:52:07 20 article about Giancarlo that you had provided
21 talking points to [REDACTED]? It's a question.

22 A. I provided talking points to [REDACTED]
23 in January. Someone at [REDACTED] wrote an

24 article five months later, not [REDACTED] And

12:52:24 25 you're wondering if I asked [REDACTED] to disclose

12:52:29 1 in the article that I had provided talking points
2 to a board member about a conversation with
3 Giancarlo? Do I have that right?

4 Q. Yes.

12:52:39 5 A. No.

6 Q. Okay. Did you make public comments
7 about Mr. Giancarlo's statement about XRP?

8 A. I don't recall.

9 Q. Okay. Did you, if you made public
12:52:50 10 comments about Mr. Giancarlo's statement about
11 XRP, talk about [REDACTED]'s relationship to
12 Giancarlo, for example?

13 MR. SOLOMON: I'm sorry. You
14 said if he made comments?

12:53:01 15 MR. TENREIRO: Well, he says he
16 doesn't recall. But I'm asking if he
17 made, you know, public statements about
18 [REDACTED]'s relationship to Giancarlo.

19 MR. SOLOMON: So, separately, do
12:53:11 20 you recall making statements about --

21 THE WITNESS: I don't know what
22 [REDACTED]'s relationship with Giancarlo is.

23 BY MR. TENREIRO:

24 Q. Okay. Did he provide the talking points
12:53:18 25 you suggest in your text?

12:53:20 1 A. I believe you asked that and I said no.

2 Q. Have you ever --

3 A. I don't know.

4 Q. Have you ever met Mr. Giancarlo?

12:53:29 5 A. I don't know.

6 Q. Have you ever spoken to him?

7 A. I think I might have had a phone call
8 with him once.

9 Q. About what?

12:53:34 10 A. I don't recall.

11 Q. And Ripple has hired his law firm?

12 A. I believe that's the case.

13 Q. Okay. And just to -- what's -- is this
14 for legal advice?

12:53:46 15 A. I believe that's the case.

16 Q. Who -- when was the law firm hired? Is
17 this Willkie Farr?

18 MR. SOLOMON: Objection; form.

19 A. Had you not said the name, I wouldn't
12:53:54 20 have known the answer, but I believe that's
21 correct. And I would have to ask one of the
22 people at this table for when Willkie Farr was
23 engaged.

24 Q. Right.

12:54:02 25 Have you ever provided anything of value

12:54:05 1 to Mr. Giancarlo?

2 A. Have I personally provided anything of
3 value --

4 Q. Ripple.

12:54:11 5 A. I mean, to the extent that Ripple hired
6 the law firm Willkie Farr, I think by extension
7 that we provided some value to Mr. Giancarlo --

8 MR. SOLOMON: Objection to your
9 use of -- of a legal term. Anything of
12:54:25 10 value? I'm not sure what the insinuation
11 is. They hired a firm. That's what they
12 did.

13 MR. TENREIRO: I asked --

14 MR. SOLOMON: I was

12:54:31 15 (Indiscernible cross talk;
16 reporter requests one speaker)

17 MR. SOLOMON: Are you asking
18 something apart from hiring a law firm
19 when you say "a thing of value"? I want
12:54:38 20 to make that clear --

21 MR. TENREIRO: Yeah, I --

22 MR. SOLOMON: -- because that's
23 confused. It has all kinds of legal
24 meaning, as you know.

12:54:43 25 MR. TENREIRO: Thank you.

12:54:43 1 BY MR. TENREIRO:

2 Q. Other than the hiring of the law firm,
3 has Ripple ever, you know, paid anything for
4 Mr. Giancarlo? I was using "anything of value"
12:54:51 5 just to be broad.

6 A. Not that I can recall.

7 Q. Okay. And have -- have you,
8 Mr. Garlinghouse, directly or indirectly, ever
9 provided anything of value to Mr. Giancarlo?

12:55:00 10 A. Not that I'm aware of.

11 Q. Okay.

12 MR. TENREIRO: Let's do 121,
13 which I have. And this one, I don't know
14 how many copies I have.

12:55:12 15 MR. SOLOMON: That's okay. We'll
16 deal with it.

17 (Whereupon, exhibit is received
18 and marked Garlinghouse Deposition
19 Exhibit 121 for identification.)

12:55:16 20 MR. TENREIRO: All right. For
21 the record, this is an email with Bates
22 RPLI_SEC 235028. It appears to be around
23 November 27, 2018.

24 BY MR. TENREIRO:

12:55:55 25 Q. I don't see you on the e-mail, but I'm

12:55:57 1 going to ask you some questions about the
2 contents.

3 Have you read it?

4 A. Yes.

12:56:04 5 Q. Okay. Do you recall an article on
6 [REDACTED] about infighting at Coinbase and
7 the exclusion of XRP from Coinbase? Do you recall
8 that?

9 A. No.

12:56:20 10 Q. Mr. Larsen says, "Nice. We're getting
11 very friendly with them, by the way. Brian even
12 apologized to me at a recent event."

13 Do you see that?

14 A. Yes.

12:56:30 15 Q. Do you know who the reference to [REDACTED]
16 is to?

17 A. I assume [REDACTED] but I don't
18 know.

19 Q. Who is [REDACTED]?

12:56:36 20 A. He's the [REDACTED] Coinbase.

21 Q. Okay. And then it says "Yes, Brad told
22 me that. But I didn't put it in the story because
23 I didn't want to blow you up."

24 Do you see that?

12:56:44 25 A. I do.

12:56:45 1 Q. Okay. Did you tell -- what did you tell
2 [REDACTED] about the relationship with [REDACTED]
3 before the article was published?

4 A. I -- I don't recall.

12:56:54 5 Q. Okay. Were you around November of 2018
6 getting more, you know, friendly with
7 [REDACTED]?

8 A. No.

9 Q. Okay. And do you recall a story
12:57:10 10 suggesting that there were personal reasons why
11 Coinbase was not listing XRP?

12 A. Can you ask the question again?

13 Q. Do you recall a story in the media
14 suggesting that there were personal reasons why
12:57:23 15 Coinbase was not listing XRP?

16 A. The only recollection I have is there
17 was a meme suggesting that I had dated [REDACTED]
18 [REDACTED] and there was somebody
19 upset with somebody about it. And I -- I don't
12:57:39 20 know where that came from, but I thought it was
21 funny so I happen to remember it.

22 Q. Someone suggesting that and that could
23 have been the reason why there was no listing?

24 A. Yeah.

12:57:47 25 Q. All right.

12:57:57 1 MR. TENREIRO: Let's look at 122.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 122 for identification.)

12:58:13 5 MR. TENREIRO: All right. So
6 this is a two-page email, RPLI_SEC 591715.
7 And it appears to be an email between
8 Ms. Long and [REDACTED] on April -- May
9 28, 2020.

12:58:38 10 BY MR. TENREIRO:

11 Q. Now, before I get into the email,
12 Mr. Garlinghouse, did you have an understanding as
13 to what sort of authority [REDACTED] had at [REDACTED]
14 [REDACTED] with respect to content of articles?

12:58:51 15 A. I -- I don't know.

16 Q. Okay. And "XRP Facts" is the title of
17 this email? The subject, rather. Do you see
18 that?

19 A. Yes, I do see it.

12:59:04 20 Q. Okay. And Ms. Long says "Hi, [REDACTED]
21 Below are facts or arguments to these 3-4 topics.
22 I'm stalled coming up with expert sources, but
23 will keep thinking on it."

24 Then he says "This is a great start for
12:59:17 25 our reporting, thank you. Definitely would

12:59:19 1 benefit from an expert who could verify some of
2 this."

3 Do you see that?

4 A. Yes.

12:59:23 5 Q. Okay. And what -- what is the purpose
6 of Ms. Long, if you know, providing this
7 information to [REDACTED]?

8 A. I'm going to read the document first.

9 Q. Yes.

12:59:30 10 MR. SOLOMON: He's not on this
11 email. It's fine to show it to him, but I
12 just...

13 MR. TENREIRO: Okay.

14 MR. SOLOMON: What do you think?

13:00:01 15 MR. TENREIRO: After this, let's
16 do it.

17 A. Can you repeat the question?

18 Q. Yes.

19 The question is, what is the
13:00:23 20 purpose of Ms. Long providing this
21 information to [REDACTED] if you know?

22 MR. SOLOMON: Objection;
23 speculation.

24 A. I don't know.

13:00:30 25 Q. Did she discuss with you providing XRP

13:00:33 1 facts to [REDACTED] for his reporting?

2 A. I don't recall.

3 Q. Did you approve of her providing XRP
4 facts to [REDACTED] for her reporting?

13:00:43 5 A. I don't recall.

6 Q. Were there other occasions other than
7 this where you -- whether anyone -- sorry.

8 Were there other occasions other than
9 what's reflected in this email where people at

13:00:52 10 Ripple might have provided facts about XRP for
11 reporting on [REDACTED]?

12 MR. SOLOMON: Objection;
13 speculation.

14 A. If [REDACTED] were writing a story
13:01:06 15 about Ripple, we would have cooperated with them,
16 as we would most media outlets, to clarify,
17 correct, educate what is Ripple, what is XRP, and
18 the differences between.

19 Q. And did the -- did other media outlets
13:01:25 20 -- did other media outlets come to Ripple often to
21 educate about what is XRP?

22 A. Well, they would come to us in covering
23 Ripple and/or covering XRP. And to the extent
24 they had questions, we would engage with them as
13:01:45 25 constructively as we could.

13:01:46 1 Q. But my question is, did that occur often
2 with other media outlets other than [REDACTED]
3 [REDACTED]?

4 A. Yes.

13:01:51 5 Q. Okay.

6 A. There was a lot of interest in crypto.
7 And I think Ripple as a leader in the space gets a
8 lot of media attention.

9 Q. And did a lot of media outlets come to
13:02:01 10 Ripple for information about XRP other than [REDACTED]
11 [REDACTED]?

12 A. Yes.

13 Q. Is that it? Okay.

14 MR. SOLOMON: He's saying "a
13:02:15 15 lot." If there's just something -- I just
16 want to make sure.

17 MR. TENREIRO: I think he
18 answered.

19 A. Yeah. I think my -- my testimony is
13:02:22 20 Ripple has a lot of attention in the marketplace.
21 Ripple is known as having expertise as it relates
22 to XR -- XRP, both by virtue of our engineering
23 resources, the fact that we use it in our
24 technology stack. And so to the extent people are
13:02:35 25 interested in XRP, they would come to us on

13:02:42 1 occasion.

2 Q. When you said "people," you're referring
3 to the press, right?

4 A. Yeah.

13:02:46 5 Q. Okay.

6 A. Well, press and analysts. I mean,
7 apparently [REDACTED]

8 Q. Members of the public?

9 A. Sometimes, yeah.

13:02:56 10 Q. Okay.

11 MR. TENREIRO: Let's go off the
12 record.

13 THE VIDEOGRAPHER: All right.
14 Going off the record at 1:04.

13:03:14 15 (Whereupon, a luncheon recess is
16 taken.)

17
18
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13:03:14 1 A F T E R N O O N S E S S I O N
2 THE VIDEOGRAPHER: Okay. Back on
3 the record at 1:53.
4 Go ahead.
13:52:21 5 BY MR. TENREIRO:
6 Q. Mr. Garlinghouse, I see you brought your
7 phone.
8 A. I did, actually.
9 Q. Can you tell me who you communicated on
13:52:26 10 with Signal, please?
11 A. My -- I was -- I did communicate on
12 Signal --
13 Q. No, not now. Just generally, who have
14 you communicated with on Signal, since you have
13:52:35 15 the list on your phone with the messages?
16 A. Oh, you want me to -- sorry. You would
17 like me to open my phone and go through who on
18 Signal I've communicated with?
19 Q. Yes.
13:52:50 20 A. [REDACTED] (phonetic)
21 Q. Why don't we do this. Why don't you
22 just read me the people who work at Ripple first.
23 I don't need to know anyone -- everyone you
24 communicated with.
13:53:00 25 A. Okay. [REDACTED] Monica

13:53:10 1 Long.

2 I'm now back on July 3rd and I haven't
3 hit any other names.

4 June, Chris Larsen.

13:53:34 5 May, Asheesh Birla. May 11th,

6 [REDACTED]

7 I'm now back to the beginning of the
8 year. Do you want me to keep going?

9 Q. Yes.

13:54:28 10 A. [REDACTED] He is no longer, but...

11 MR. SOLOMON: Are you able to
12 clarify text versus phone calls versus
13 email?

14 THE WITNESS: I'd have to open it
13:54:55 15 to --

16 MR. SOLOMON: Okay.

17 THE WITNESS: -- see that.

18 MR. SOLOMON: Do you want him to
19 sit here and do this now?

13:54:57 20 MR. TENREIRO: I just -- just the
21 Ripple people. If you want him to
22 clarify, you can clarify. I asked who he
23 communicated with --

24 MR. SOLOMON: Okay.

13:55:05 25 Communications --

13:55:05 1 (Indiscernible cross talk;
2 reporter requests one speaker.)
3 MR. SOLOMON: Communications may
4 be either a telephone call or a
13:55:08 5 communication. That's fine.
6 A. [REDACTED] Now we're back in 2020, but
7 [REDACTED] Patrick Griffin, [REDACTED]
8 [REDACTED]
9 Q. Just let me know when you get to 2018.
13:55:55 10 A. Oh, geez. [REDACTED]
11 Q. This is the last time you communicated
12 with these people? Is that what it reflects?
13 A. To be honest with you, I don't -- well,
14 actually, an -- an important clarification that
13:56:09 15 Mr. Solomon has brought up, the [REDACTED] entry
16 does not suggest I've communicated with her. It
17 just says [REDACTED] is on Signal."
18 So I think what happens, if you were
19 to -- if I had your mobile number in my address
13:56:20 20 book and you started using Signal, I would get a
21 notification. So all it says is that "[REDACTED]
22 is on Signal." I apparently have never
23 communicated with her on Signal.
24 So some of the names I've -- I'm reading
13:56:32 25 to you the Ripple -- as you requested, I'm reading

13:56:35 1 to you the names of employees or those affiliated,
2 like board members, at Ripple as they come up
3 chronologically.

4 I'm now back in April of 2020. [REDACTED]
13:56:46 5 [REDACTED] is listed at April 2020.

6 Q. Okay. Well, we'll get the rest of the
7 information from your counsel. Let's move --
8 let's move on then.

9 Thank you.

13:56:56 10 A. Well, if I may clarify.

11 Q. Please.

12 A. I believe, as part of discovery, you
13 have received the information that -- this is
14 information that was collected during discovery.

13:57:12 15 Q. Okay.

16 MR. SOLOMON: Yeah, I'm not quite
17 clear on what those names are relevant to
18 or what they signify. We'd have to go
19 through each of them to see whether it was
13:57:19 20 a phone call, whether it was a message,
21 whether it was them popping up as having
22 joined Signal.

23 THE WITNESS: Right.

24 MR. SOLOMON: We haven't done
13:57:25 25 that yet, but I think the SEC got a

13:57:27 1 sampling of the people in the last year or
2 so whose names come up through your phone
3 when you scroll through your phone. So
4 that's fine.

13:57:34 5 MR. TENREIRO: Yeah.

6 BY MR. TENREIRO:

7 Q. Okay. Sorry, when you were scrolling
8 there, was Mr. Solomon there as well? I know I
9 asked you for Ripple people, but...

13:57:44 10 A. I believe I saw his name. I did not
11 include him in the --

12 MR. SOLOMON: Right.

13 A. He's sort of a Ripple person.

14 MR. SOLOMON: Sure.

13:57:51 15 MR. TENREIRO: Okay. Let's do
16 Exhibit 77.

17 (Whereupon, exhibit is received
18 and marked Garlinghouse Deposition
19 Exhibit 77 for identification.)

13:58:22 20 MR. TENREIRO: So for the record,
21 this is an email, RPLI_SEC 765249, two
22 pages. It appears to be around February
23 of 2016.

24 (Pause)

13:58:58 25 THE WITNESS: Okay.

13:59:38 1 BY MR. TENREIRO:

2 Q. Okay. Mr. Garlinghouse, just generally,
3 is it fair to say that this email, one of the
4 things that it's about, it's about a potential
13:59:46 5 how-to guide about buying XRP?

6 A. I believe that's fair, yeah.

7 Q. Okay. You say "Echoing Monica's
8 sentiment, a how-to guide would be very valuable."

9
13:59:58 10 Why would it be valuable or why
11 was it valuable in February of 2016 to
12 have such a guide?

13 A. I -- I don't recall. What the email
14 seems to suggest is that consumers are -- well,
14:00:14 15 one point of reference. [REDACTED] at that
16 point read -- ran customer support. And so he's
17 getting, I'm sure, inquiries from people all over
18 the world that -- to [REDACTED] and trying
19 to address a question that I guess is coming up
14:00:33 20 frequently. So it's answering a question.

21 Q. The question is how to buy XRP?

22 A. I believe that's what [REDACTED] is saying,
23 yes.

24 Q. [REDACTED] references "consumers." And I
14:00:43 25 think you just said that word, or maybe you said

14:00:45 1 customer, but -- oh, you said consumer. Okay.

2 So was there a practice at Ripple around
3 February of 2016 to refer to potential purchasers
4 of XRP as consumers?

14:00:56 5 A. I don't know.

6 Q. Okay. And so what is the reference to
7 "consumer" here? "If you, as a consumer, heard
8 about XRP from the news and wanted to buy some,
9 there's a better than average chance you'd find
14:01:07 10 the whole process too difficult and quit."

11 What is the reference to "consumer"
12 there?

13 A. We'd have to ask [REDACTED].

14 Q. What did you understand it to mean when
14:01:15 15 you read the email?

16 A. There's another reference to consumers
17 above that. It says "Even though we don't serve
18 consumers" --

19 Q. Uh-huh.

14:01:20 20 A. -- "they play a role in the broader
21 Ripple ecosystem."

22 Q. Right.

23 A. So I think consumers are individuals
24 around the globe that may be emailing

14:01:31 25 [REDACTED]@ripple.com.

14:01:33 1 Q. And so Ms. Long says "We don't serve
2 consumers."

3 Do you understand that to mean "we,"
4 Ripple, doesn't serve consumers?

14:01:40 5 MR. SOLOMON: Objection; form.

6 A. I -- I don't want to speculate what she
7 meant. I -- I read it as that we, Ripple, don't
8 have consumers as a target market.

9 Q. Right. And I definitely want to know
14:01:52 10 what you read it as, not what you speculate as.
11 So that's helpful.

12 And then the email says "Even though we
13 don't serve consumers, they play a role in the
14 broader Ripple ecosystem, and whether we like it
14:02:03 15 or not, they go to ripple.com to figure out how to
16 get started."

17 So, again, just reading that, do you
18 have an understanding as to what she's talking
19 about, the role that consumers play in the Ripple
14:02:15 20 ecosystem?

21 A. I do not.

22 Q. Okay. What role do -- in -- what role
23 in 2016 did consumers play in the Ripple
24 ecosystem?

14:02:25 25 A. I don't think I could give you an

14:02:27 1 exhaustive list. As we've discussed during the
2 deposition, there's many use cases for XRP. Some
3 of them in 2016 were consumer oriented; some of
4 them not consumer oriented. And so I don't know
14:02:44 5 that I have a list. I don't remember in 2016 what
6 consumer-facing projects existed in the XRP
7 ecosystem.

8 Q. And who would know?

9 A. In -- who would know today or --

14:03:02 10 Q. Yeah. If I wanted to find out in 2016
11 the projects that might have existed.

12 A. I -- I -- I don't know.

13 Q. Okay. You say "We can run it by AOG to
14 make sure we aren't overdoing/promoting."

14:03:26 15 Do you see that?

16 A. I do.

17 Q. Who's AOG?

18 A. I believe I'm referencing Antoinette
19 O'Gorman.

14:03:31 20 Q. What were you trying to run by her? The
21 how-to guide?

22 A. I believe that's what I'm suggesting,
23 yep.

24 Q. Did the how-to guide actually get
14:03:39 25 published at some point by Ripple?

14:03:40 1 A. I don't know.

2 Q. Did the how-to guide discuss potential
3 use cases of XRP by the consumers that were
4 reading the guide?

14:03:48 5 A. I don't know if the guide existed.

6 Q. Fair enough.
7 Why are you suggesting that you consult
8 AOG?

9 A. I don't recall. I have -- I mean, I
14:04:04 10 could speculate based upon, you know, what I wrote
11 about five years ago. More than five years ago.

12 Q. You talked about -- you talk about "to
13 make sure we aren't overdoing/promoting."

14 What are you referring to there?

14:04:15 15 Overdoing what?

16 A. I -- I don't recall. I can speculate
17 based upon what I might have meant five years ago.

18 Q. Go ahead.

19 A. So Antoinette O'Gorman was our chief
14:04:23 20 compliance officer. We had signed a settlement
21 with FinCEN that restricted certain activities and
22 what have you. And so AOG would have been making
23 sure we were living within the framework of that
24 settlement agreement with FinCEN.

14:04:42 25 Q. Okay. Was there something in the

14:04:43 1 agreement that related to overdoing something or
2 promoting something?

3 A. I -- I don't recall.

4 Q. So Ms. O'Gorman, one of her functions
14:04:52 5 was to make sure that Ripple was complying with
6 that -- with that settlement agreement?

7 A. As chief compliance officer, that would
8 be part of her responsibilities, yes.

9 Q. And that settlement agreement has
14:05:05 10 expired?

11 A. I don't know the details.

12 Q. Okay. Ms. O'Gorman -- was this how-to
13 guide run by her?

14 A. I don't know if the how-to guide exists.

14:05:20 15 Q. Understood that maybe it didn't exist,
16 but did someone consult her with -- about a
17 potential how-to guide?

18 A. Beyond this email, I don't recall.

19 Q. Okay. And if typically -- I mean, were
14:05:31 20 you typically following her directive about how to
21 comply with the FinCEN settlement, if she gave any
22 directives?

23 A. Yes, I --

24 MR. SOLOMON: Objection.

14:05:42 25 A. I took the advice of the chief

14:05:46 1 compliance officer seriously. And to the extent
2 she felt we were acting outside the scope of the
3 FinCEN agreement, I would certainly take that
4 seriously.

14:05:59 5 Q. Okay. So would hers be emails you read?
6 If you got emails from Antoinette O'Gorman --

7 THE REPORTER: Wait.

8 Q. If you got emails from Antoinette
9 O'Gorman, would those be more likely to have been
14:06:12 10 read or not?

11 MR. SOLOMON: Objection to form.

12 A. I -- I -- I believe my testimony earlier
13 was my reading of emails probably has more to do
14 with how busy I am that day on other projects, not
14:06:26 15 filtered so much by who they're from. I found
16 Antoinette's emails to be not dissimilar to other
17 emails.

18 Q. Okay. Let's look at this one.

19 MR. TENREIRO: Exhibit 81.

14:06:44 20 MR. SOLOMON: Can I have one?

21 THE WITNESS: Oh, sorry, sorry,
22 sorry.

23 (Whereupon, exhibit is received
24 and marked Garlinghouse Deposition
14:06:45 25 Exhibit 81 for identification.)

14:06:51 1 MR. TENREIRO: For the record,
2 RPLI_SEC 761766, two-page email.

3 MS. FORBES: Which exhibit is
4 this?

14:07:17 5 MR. TENREIRO: 81.

6 MS. FORBES: 81. Thank you.

7 (Pause)

8 BY MR. TENREIRO:

9 Q. Okay. This appears to be an email
14:08:35 10 thread from October 31st, 2016, Halloween.

11 Do you see that?

12 A. I do.

13 Q. Okay. Ms. O'Gorman says to you and
14 Mr. Griffin -- sorry. Mr. Griffin asks "Can XRP
14:08:46 15 be both a currency (FinCEN territory) and a
16 commodity, (CFC territory)" -- "(CFTC)?"

17 She responds, "Yes, it can, and more.

18 IRS is of the opinion that virtual currency is

19 'property.' CFTC treats it as a 'commodity.'

14:09:05 20 FinCEN has stated their opinion that 'virtual
21 currency operates as "real" currency in some
22 environments' and the SEC may well come out on the
23 side that certain cryptocurrencies are
24 securities."

14:09:16 25 And then she says something about

14:09:18 1 "interesting conundrum...that begs for a more
2 uniform regulatory approach."

3 Do you see that?

4 A. I do.

14:09:24 5 Q. Okay. And is this some of the advice
6 from your chief compliance officer that you took
7 seriously?

8 A. I don't know.

9 MR. SOLOMON: Do you want to read
14:09:34 10 the rest of the sentence to him rather
11 than read just a portion of it?

12 Q. It says "Interesting conundrum and one
13 that begs for a more uniform regulatory approach
14 at the federal and state levels, but the
14:09:42 15 probability of that ever happening is extremely
16 low."

17 Do you see all that?

18 A. I do.

19 Q. Okay. And below Ms. O'Gorman -- sorry.
14:09:49 20 Below that, at the bottom, you have said
21 that you and she had just caught up on the issue
22 about some legal guidance.

23 Do you see that?

24 A. I do. I'm trying to understand the time
14:10:04 25 frame here because it looks like this reply

14:10:11 1 happened on October 31st, but this happened on
2 November 1st, which doesn't really make sense.
3 But anyway, that maybe isn't relevant to your
4 question.

14:10:17 5 Q. Yeah. I think that's because of the
6 time, you know, 1:33 a.m. Emails report different
7 times based on where you're sending them.

8 MR. SOLOMON: Maybe you were
9 overseas or something. That is weird.

14:10:28 10 MR. TENREIRO: Yeah. All right.

11 BY MR. TENREIRO:

12 Q. Did you -- when you caught up with
13 Antoinette O'Gorman on the issue here, did you
14 discuss the possibility that different regulatory
14:10:36 15 agencies can view XRP as different things under
16 their regimes?

17 MR. SOLOMON: Objection; form.

18 A. I don't recall.

19 Q. Did Ms. O'Gorman ever state to you
14:10:48 20 anything different, other than what she's stating
21 here, that while FinCEN might have one
22 classification for XRP, other agencies such as the
23 IRS --

24 THE REPORTER: Slow down,
14:10:52 25 please.

14:11:00 1 BY THE REPORTER:

2 Q. -- such as the IRS and the SEC might
3 have different --

4 THE REPORTER: You're going to
14:11:00 5 have to start the question over again.

6 MR. TENREIRO: Yes.

7 Q. Did Ms. O'Gorman ever state anything to
8 you different other than what she's stating here,
9 that while FinCEN might have one classification
14:11:08 10 for XRP, other agencies such as the IRS, the CFTC
11 and the SEC, might have different classifications?

12 A. I don't recall.

13 Q. And didn't she, in fact, reiterate this
14 view to you a few years later, after she left the
14:11:22 15 company?

16 A. I don't recall.

17 MR. SOLOMON: Objection; form.

18 Q. All right. Did anyone ever tell you
19 something contrary to what Ms. O'Gorman said here,
14:11:32 20 again, in sum and substance, that different
21 agencies could have different classifications for
22 XRP?

23 MR. SOLOMON: Objection; form.

24 A. I don't recall.

14:12:02 25 MR. TENREIRO: Here we go. This

14:12:03 1 is 44.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 44 for identification.)

14:12:04 5 (Pause)

6 BY MR. TENREIRO:

7 Q. Okay. So, first, is it fair to say that
8 while you were Ripple's -- as Ripple's CEO, you
9 send periodic updates to Ripple employees and
14:17:32 10 board members and Ripple -- Ripple shareholders?

11 MR. SOLOMON: Objection to form.

12 A. Could you ask the question one more
13 time?

14 Q. Is it fair to say that as Ripple's CEO,
14:17:39 15 you send periodic updates about Ripple's business
16 to employees, board members and shareholders?

17 A. Yes.

18 Q. Okay. Sometimes I think you did it
19 quarterly, sometimes maybe even weekly, is that
14:17:51 20 right?

21 MR. SOLOMON: Objection to form.

22 A. Depends on which audience we're talking
23 about.

24 Q. Well, for Ripple board members and
14:17:58 25 shareholders.

14:18:01 1 A. I think at various times over my tenure,
2 we've sent them monthly and sometimes we've sent
3 them quarterly.

4 Q. And some of the Ripple shareholders are
14:18:10 5 also XRP holders, right?

6 A. I don't know.

7 Q. What about the board members? Some of
8 them are XRP holders?

9 A. I don't know.

14:18:16 10 Q. Like Mr. Larsen?

11 A. Yes. Mr. Larsen, I do know he has XRP.

12 Q. And Mr. Kurson?

13 A. I don't know.

14 Q. And yourself?

14:18:24 15 A. Yes, I know that about myself.

16 Q. Okay. So some board members are XRP
17 holders?

18 A. Yes.

19 Q. Okay. This email thread, Exhibit 44,
14:18:36 20 there's a -- one of these updates to investor and
21 advisors -- do you see that? -- from you.

22 A. Yes. Is that how I addressed it?

23 Q. "Subject: Re: Ripple's Q2 investor and
24 advisor update."

14:18:52 25 A. Okay.

14:18:52 1 Q. Okay. And Ms. O'Gorman responds.

2 Do you see that?

3 A. I do.

4 Q. Okay. She says -- in the middle, she
14:18:58 5 says "And please let's never say again our belief
6 remains the same. XRP should be regulated as a
7 currency," and then she goes on to repeat her view
8 that XRP will be regulated "as a property, as a
9 commodity, as convertible virtual currency and
14:19:12 10 potentially a security, all depending on facts and
11 circumstances."

12 Do you see that?

13 A. I do see that.

14 Q. Okay. So Ms. O'Gorman, in fact -- does
14:19:22 15 this refresh your memory that Ms. O'Gorman
16 repeated to you in 2018 the advice she had given
17 to you in 2016 about the treatment of XRP in the
18 United States?

19 A. It does not refresh my memory. I read
14:19:32 20 what she has written here.

21 Q. Did you -- did she ever after this point
22 have a conversation with you where she told you
23 anything to the contrary, that it would be only
24 regulated as a currency and not as a security?

14:19:43 25 A. I don't recall.

14:19:45 1 Q. Did you have a conversation with her
2 after this email -- about this email after this
3 email?

4 A. I don't believe I spoke to her about
14:19:52 5 this email specifically. I've spoken to
6 Antoinette since she wrote this email.

7 Q. Sure.

8 And did you discuss -- when you've
9 spoken to her, did you discuss the issue of --

14:20:00 10 THE REPORTER: Slow down.

11 Q. When you spoke to her, did you discuss
12 the issue of currency versus security?

13 A. Not that I recall.

14 Q. Okay. And in -- in your update -- I'd
14:20:08 15 like to direct you on page 3 to the part where you
16 say "That's one of the reasons we announced the
17 University Blockchain Research Initiative."

18 Do you see that?

19 A. I do.

14:20:21 20 Q. Who drafted these emails for you, by the
21 way, typically?

22 A. I don't recall.

23 Q. Did you have counsel review them?

24 A. I don't know.

14:20:29 25 Q. Okay. Whose decision was it to commit

14:20:32 1 50 million to the UBRI?

2 A. The company's decision.

3 Q. Did you approve it?

4 A. Yes, I did.

14:20:42 5 Q. Did Mr. Larsen?

6 A. I suspect he did.

7 Q. Okay. And the purpose of this funding
8 was what?

9 A. For research and innovation in
14:20:55 10 blockchain.

11 Q. Did any of the companies that are
12 involved with this administrative -- sorry.
13 Companies.

14 Did any of the universities involved in
14:21:01 15 this initiative become -- start operating
16 validators on the XRP Ledger?

17 A. I believe some of them did.

18 Q. Which ones?

19 A. I don't recall. I think the University
14:21:14 20 of Kansas was one of them. Just I know because
21 I'm an alum.

22 Q. Did you ask them to?

23 A. No, I didn't.

24 Q. Who did? Did someone ask them to?

14:21:22 25 A. I don't know.

14:21:23 1 Q. Okay. Further down you say "Ripple has
2 looked closely at this topic for several years,
3 and our belief remains the same: XRP should be
4 regulated as a currency."

14:21:32 5 Do you see that?

6 A. I do not.

7 Q. Sir, there's a heading that says "Global
8 Progress on Regulation."

9 A. Yep.

14:21:38 10 Q. Two paragraphs in.

11 A. Yep. I'm with you now. Sorry.

12 Q. Okay. "Ripple has looked closely at
13 this topic for several years."

14 Can you explain what you mean by that?

14:21:51 15 A. I don't recall.

16 Q. What -- well, what had Ripple looked
17 into for several years?

18 A. I don't recall. I mean, I, as any
19 reader of this email, could surmise, that we've
14:22:07 20 been paying attention to U.S. regulation and other
21 countries' regulation of digital assets.

22 Q. For years?

23 A. Yeah.

24 Q. Does that --

14:22:19 25 A. Yes. Sorry.

14:22:19 1 Q. Does that include you, Mr. Garlinghouse?

2 A. I think -- depending upon the time
3 frame, I would say I looked at it closely at some
4 times and less closely at other times.

14:22:32 5 Q. When was it more times -- sorry, more
6 closely?

7 A. As I indicated in my testimony this
8 morning, I looked at it more closely after
9 receiving a letter from the SEC in late spring of
14:22:42 10 2018.

11 Q. Excuse me.

12 Sitting here today, are you aware that
13 different agencies in the United States might
14 treat crypto assets in different ways?

14:22:54 15 MR. SOLOMON: Objection to form.

16 A. Yes, which I think contributes to the
17 U.S. confusion.

18 Q. And this belief that you state here,
19 "Our belief remains the same: XRP should be
14:23:06 20 regulated as a currency. FinCEN and the DOJ
21 confirmed this," do you see that? And then it
22 goes on to say "My team continues to educate the
23 market, regulators and courts." Finally, you say
24 "For XRP to be a security, as some have asserted,
14:23:22 25 it would have to represent ownership in a company,

14:23:24 1 which it does not."

2 That paragraph, do you see -- do you see
3 that?

4 A. I do.

14:23:28 5 Q. Okay. That idea, that belief, had you
6 expressed it internally at Ripple before this
7 email?

8 A. I don't recall.

9 Q. Had you expressed it externally into the
14:23:40 10 market before this email?

11 A. I don't recall.

12 Q. How many times before April of 2018 did
13 you express this view outside of Ripple?

14 MR. SOLOMON: Objection; asked
14:23:49 15 and answered.

16 A. I don't recall.

17 Q. And how about internally? How many
18 times did you express this view before April of
19 2018?

14:23:58 20 MR. SOLOMON: Objection; asked
21 and answered.

22 A. I don't recall.

23 Q. Okay. Do you recall if you did at all?
24 You just don't remember the number of times, or --

14:24:09 25 MR. SOLOMON: Objection --

14:24:09 1 Q. -- you just don't recall at all
2 whatsoever?

3 MR. SOLOMON: Objection; asked
4 and answered.

14:24:14 5 A. Yeah, I think the question was did I
6 recall speaking to it publicly before 2018, and I
7 don't recall.

8 Q. What about China's control -- well, what
9 about the potential for China's control of
14:24:27 10 blockchain? Did you speak about that publicly
11 before 2018?

12 MR. CERESNEY: Objection; form.

13 A. Could you reask the question?

14 Q. Did you speak publicly about China's
14:24:37 15 potential control of blockchain before 2018?

16 MR. CERESNEY: Objection; form.

17 A. I -- I think the vagueness of the
18 question makes it difficult to answer.

19 Q. What's -- what -- I'm sorry --

14:24:48 20 A. There's lots of blockchains.

21 Q. How about let's start with the bitcoin
22 blockchain.

23 Did you speak publicly about
24 China's potential control of the bitcoin
14:24:59 25 blockchain before 2018?

14:25:00 1 A. I don't know. I don't recall.

2 Q. Did you speak privately at Ripple about
3 China's potential control of the bitcoin
4 blockchain since 2018?

14:25:08 5 A. I don't recall.

6 Q. Okay. Did you have -- do you know, if I
7 say the name "[REDACTED]" what I'm referring to?

8 A. Yes.

9 Q. What is [REDACTED]?

14:25:22 10 A. [REDACTED] is a -- is an investment
11 group based here in New York that invests capital
12 typically in debt financings.

13 Q. Thank you.

14 So I'm going to go back to one

14:25:33 15 thing that I forgot. Just a second ago,
16 we were talking about DOJ guidance or DOJ
17 confirmation in 2015 based on your email.

18 Do you see that?

19 A. I do see that.

14:25:39 20 Q. Okay. And you are aware that in 2020,
21 the DOJ issued guidance about how --

22 THE REPORTER: I'm sorry. You're
23 going to have to slow down.

24 Q. You are aware that in 2020 the DOJ
14:25:48 25 issued guidance about how different regulators in

14:25:50 1 the United States could regulate digital assets?

2 MR. SOLOMON: Objection; form.

3 A. I'm aware that I think sometime about a
4 year ago, in late Q3/early Q4, the DOJ did a
14:26:04 5 report on cryptocurrencies that enumerated many
6 different potential agencies and regulators in the
7 United States who may have some oversight of
8 digital assets and who, unfortunately, don't have
9 an aligned view on those.

14:26:19 10 Q. And did you view that report as
11 providing regulatory clarity or not?

12 MR. SOLOMON: Objection; form.

13 A. Well, no, I did not.

14 Q. Why not?

14:26:34 15 A. I -- I believe the report indicated
16 that, as I recall, there are seven or eight
17 different federal agencies or departments that all
18 looked at digital assets a little bit differently,
19 which, in my estimation, fuels confusion in the
14:26:51 20 marketplace about the regulatory status of digital
21 assets in the United States in contrast to other
22 countries.

23 Q. And the DOJ statement in 2015, do you
24 view that as providing regulatory clarity or not?

14:27:06 25 A. I don't know what statement the DOJ made

14:27:07 1 in 2015.

2 Q. The DOJ settlement with -- with Ripple,
3 do you view that as providing regulatory clarity?

4 A. Oh, the FinCEN settlement.

14:27:20 5 Q. You referenced FinCEN and the DOJ
6 confirmed this in 2015.

7 A. I actually don't recall the email, as I
8 mentioned earlier. And so I actually read that
9 differently than now you're reading it. I read it
14:27:31 10 as FinCEN and the DOJ separately, as two separate
11 events. Since I joined in 2015, I thought maybe
12 there was some other event that happened in 2015
13 that may have happened with the DOJ.

14 Recognizing the FinCEN settlement was
14:27:43 15 both, I guess, stamped by FinCEN and the DOJ, then
16 I think those two entities described XRP as a
17 currency, as a virtual currency, I believe.

18 Q. And did you -- when did you find out
19 about that settlement, by the way?

14:28:03 20 A. Can you maybe ask the question who --
21 when did I find out the FinCEN settlement?

22 Q. Yeah.

23 A. You know, within the first few weeks of
24 my tenure at Ripple.

14:28:15 25 Q. Okay. And who told you about it?

14:28:17 1 A. I don't recall.

2 Q. Did you ask for any sort of -- within
3 the first few weeks -- first let me ask what I
4 asked earlier.

14:28:26 5 Did you view the FinCEN
6 settlement as providing regulatory
7 clarity?

8 A. I suppose I was so new to the company
9 and so new to digital assets that I wasn't
14:28:39 10 thinking about the fact that there may not have
11 been regulatory clarity at that point. So I, at
12 that point in time, don't think I had any thoughts
13 about it.

14 Q. What about the point in time when you
14:28:51 15 write the email in 2018? Did you view at that
16 point in time the FinCEN settlement as providing
17 regulatory clarity?

18 A. I think any time a government is
19 speaking authoritatively through a court system
14:29:06 20 and describing something in a certain way, it
21 provides a certain level of clarity about, well,
22 is it this government entity, which collaborates
23 with other parts of the government, that the
24 government has said they view XRP as a virtual
14:29:19 25 currency?

14:29:22 1 Q. Do you recall the public statements you
2 made about a euphemism in the digital asset crypto
3 world about when people said regulatory
4 uncertainty, what they meant was they don't like
14:29:33 5 the regulatory uncertainty and they would like for
6 it to be different?

7 A. I made that comment in reference to
8 initial coin offerings and -- those initial coin
9 offerings that I thought were trying hard to avoid
14:29:49 10 being construed as anything other than, you know,
11 initial coin offerings that were raising capital
12 for a project that didn't exist.

13 Q. Why -- why in your estimation were they
14 trying hard to avoid being construed as such?

14:30:03 15 A. Because they didn't want to draw the ire
16 of the SEC.

17 Q. Going back to -- you found out -- okay.

18 The first few weeks at Ripple, I think
19 you said you find out about the FinCEN settlement,
14:30:23 20 but you don't recall who told you about it. Is
21 that fair?

22 A. Yes.

23 Q. Okay. Did you read it?

24 A. I don't recall.

14:30:31 25 Q. Did you understand that the FinCEN

14:30:33 1 settlement was a serious thing for Ripple?

2 A. Yes.

3 Q. You had, for example, Ms. O'Gorman to
4 make sure you complied with the settlement, is
14:30:41 5 that right?

6 MR. SOLOMON: Objection; form.

7 A. With -- the role of chief compliance
8 officer we had for lots of reasons. One of them,
9 which she took on, was making sure that we were
14:30:52 10 complying with the FinCEN settlement. We took a
11 number of other steps obviously to make sure we
12 were complying with the FinCEN settlement,
13 including winding down a consumer-facing product
14 called Ripple Trade.

14:31:02 15 Q. Right. And when was that wound down?

16 A. I mean, I believe summer of 2015. Right
17 around there.

18 Q. And is it fair to say you understood
19 that, you know, the FinCEN settlement arose from
14:31:13 20 essentially a dispute between Ripple and the U.S.
21 government --

22 MR. SOLOMON: Objection; form.

23 Q. -- that leads to a settlement of the
24 dispute?

14:31:20 25 A. To be honest, I wasn't at Ripple when

14:31:22 1 all this was going on, so I really can't speak to
2 how it came to be or how it evolved.

3 Q. Right. And I'm not asking you to. I'm
4 just asking you for what understanding you gave
14:31:33 5 when -- when you -- you know, you find out about
6 the settlement. I'm trying to figure out what
7 understanding you gained about what the settlement
8 was.

9 A. I -- I don't recall.

14:31:42 10 Q. Okay. But you understood it was a
11 serious thing, something to be taken seriously?

12 A. Yeah. I recall there was a \$700,000,
13 maybe, fine which for us at the time was a
14 material amount of money.

14:31:56 15 Q. Right.

16 At that time, when you found out that
17 you -- you know, Ripple would have to pay a
18 material amount of money to settle a dispute with
19 the government, did you take any steps to ensure
14:32:05 20 that Ripple would not get in trouble with the
21 government again?

22 A. I guess my reaction is that we have
23 always sought, as I testified earlier today, to
24 work within the clear understanding of laws around
14:32:24 25 the world and making sure we are partnering,

14:32:27 1 working, and collaborating with law enforcement,
2 with governments, et cetera.

3 So I guess my reaction is I don't think
4 we took any steps specifically -- I mean, the
14:32:37 5 question kind of suggests that we didn't take
6 steps beforehand that we started taking
7 afterwards. And I guess my point is, as an
8 organization and culture, of course we've always
9 tried to live within the letter of the law.

14:32:50 10 Q. Right. I apologize. I'm not trying to
11 suggest anything.

12 My question is, you know, you find out
13 that there's this settlement and you're starting
14 at Ripple -- you're starting to learn. What steps
14:33:03 15 did you, Mr. Garlinghouse, take? You know, did
16 you ask someone, This company's been around for a
17 few years. I want to make sure that what we're
18 doing is all aboveboard? Did you ask anyone
19 something like that?

14:33:14 20 MR. SOLOMON: Objection; form.

21 A. No.

22 Q. Okay. Did you ask, for example, to see
23 any legal opinions that the firm might have
24 procured with respect to the potential legal
14:33:23 25 consequences of its activities?

14:33:25 1 A. No.

2 Q. Why not?

3 A. Actually, to be more precise, I don't
4 recall.

14:33:30 5 Q. So you might have, you might not have,
6 you just don't recall?

7 A. Yeah.

8 Q. Okay. Do you think you would have done
9 that? I mean, just knowing yourself, you started

14:33:37 10 at a new company --

11 A. No.

12 Q. I'm sorry? You don't think you would
13 have done that?

14 A. I don't think I would have done that.

14:33:52 15 Q. Okay. So back to [REDACTED]. What
16 relationship, if any, did [REDACTED] have to
17 Ripple?

18 A. None to my knowledge.

19 Q. Potential relationship?

14:34:04 20 A. We had discussed with them participating
21 in our Series C financing.

22 Q. What -- what is Project Raven?

23 A. I don't recall.

24 Q. And did [REDACTED] participate?

14:34:16 25 A. Not to my knowledge.

14:34:17 1 Q. Why not?

2 A. I think we chose a different path.

3 Q. You chose [REDACTED]?

4 A. Correct.

14:34:26 5 Q. Okay. But why?

6 A. My vague recollection is the terms of
7 the [REDACTED] deal were more compelling to us than
8 the terms of the deal [REDACTED] had offered.

9 Q. Was one of the terms of the [REDACTED]
14:34:37 10 deal as offered a restrictive covenant with
11 respect to potential regulatory action --

12 THE REPORTER: Repeat.

13 MR. SOLOMON: Objection. And
14 you've got to slow down. I'm barely
14:34:44 15 following.

16 Q. Was one --

17 MR. SOLOMON: You've got to slow
18 down, too.

19 Q. Was one of the terms of the [REDACTED]
14:34:47 20 deal as offered a restrictive covenant with
21 respect to potential regulatory action by the SEC?

22 MR. SOLOMON: Objection; form.

23 A. Sitting here today, I am aware that at
24 some point, let's see, [REDACTED] included a
14:35:07 25 provision in their term sheet that that was the

14:35:11 1 case. When we were comparing term sheets, I had
2 no idea that was the case.

3 Q. Fair enough.

4 A. I guess my point is that was not a
14:35:23 5 relevant data point as to why we selected [REDACTED]
6 and not [REDACTED]

7 Q. Okay. With [REDACTED] was there a
8 covenant with respect to potential SEC action?

9 MR. SOLOMON: Objection; form.

14:35:45 10 A. Not specifically the SEC, but
11 government, yes.

12 Q. Government what?

13 A. I think the -- in the Series C
14 financing, as it completed, there was a provision
14:35:58 15 that said, roughly, if there's an official
16 determination by a government -- I'm not sure it
17 said U.S. or SEC; I don't recall -- that XRP is a
18 security on a go-forward basis, then X and Y and
19 Z.

14:36:12 20 Q. Right.

21 And that was also a term in the
22 term sheet with [REDACTED] even though I
23 understand you didn't enter into that
24 deal, is that right? Something similar?

14:36:21 25 A. I did not know that. I am aware of that

14:36:23 1 now based upon the [REDACTED] litigation, but I
2 would not have known that then and --

3 MR. SOLOMON: That's what I want
4 you to be careful of, because you've had
14:36:32 5 discussions with lawyers, including Quinn
6 Emanuel, about [REDACTED]. So testify about
7 what you knew at the time --

8 THE WITNESS: Yeah, okay.

9 MR. SOLOMON: -- which is
14:36:37 10 perfectly fine and fair for him to ask
11 you. Not what you know now --

12 THE WITNESS: Okay.

13 MR. SOLOMON: -- from that
14 litigation. It was a poor question from
14:36:40 15 Mr. Tenreiro --

16 THE REPORTER: I'm sorry, you're
17 talking over one another and you're
18 talking too fast. I can't get that. I
19 don't know how else to say it.

14:36:48 20 MR. SOLOMON: Let me say it
21 again. Do not answer questions in
22 relation to [REDACTED] to the extent it
23 touches on any advice you received or were
24 party to from Quinn Emanuel, Debevoise, or
14:36:59 25 any other law firm. It is perfectly fair

14:37:02 1 game for them to ask you questions about
2 what you understood about the relationship
3 with [REDACTED] or this other company at the
4 time.

14:37:09 5 THE WITNESS: Yes.

6 MR. SOLOMON: Please don't mix
7 the two because it's just going to make
8 for a very confusing record. Thank you,
9 Brad.

14:37:14 10 THE WITNESS: Yeah, okay.

11 BY MR. TENREIRO:

12 Q. So take a step back.

13 What involvement did you have with the
14 Series C negotiations?

14:37:23 15 A. Not a lot.

16 Q. Did you sign any agreements?

17 A. I don't recall.

18 Q. Did Mr. Larsen have involvement with the
19 Series C funding?

14:37:33 20 MR. CERESNEY: Object to form.

21 A. Less than I did.

22 Q. Okay. And did you have involvement in
23 poten -- in negotiations with [REDACTED]?

24 A. Not material.

14:37:48 25 Q. Who was involved? Mr. Will?

14:37:52 1 A. I actually --

2 MR. SOLOMON: Objection; form.

3 A. I don't know who was on point to
4 negotiate the terms of Series C financing -- our
14:37:59 5 Series C financing.

6 Q. You didn't select someone to be on point
7 for that negotiation?

8 MR. SOLOMON: Objection; form.

9 A. That would not have been something that
14:38:08 10 I would have selected, no.

11 Q. Who would have selected that person?

12 A. Probably Ron Will.

13 Q. Okay. And based on your knowledge
14 simply of the facts, without getting into, you
14:38:23 15 know, conversations with counsel, I think you've
16 told me there was some sort of provision in the
17 [REDACTED] funding related to potential
18 determinations about XRP as a security, is that
19 right?

14:38:39 20 A. Yes.

21 Q. And did you know that fact when Ripple
22 entered into the Series C?

23 A. No.

24 Q. When was that, by the way?

14:38:47 25 A. When was what?

14:38:48 1 Q. The Series C. Around 2019?

2 A. Our Series C financing closed I think in
3 December of 2019.

4 Q. Okay. And you're saying at the time
14:39:00 5 that it closed, you were not aware of this
6 covenant that we're discussing?

7 A. That's correct.

8 Q. You came to find out because of the
9 litigation or in between the funding and the
14:39:11 10 litigation?

11 A. I don't know exactly when I came to find
12 out, but it would have been much, much closer to
13 the litigation.

14 Q. Okay. And did you ever ask anyone why
14:39:22 15 that covenant was in there? Not lawyers. You
16 know, anyone. Businesspeople or --

17 A. No.

18 Q. Okay. Did you ever ask that the
19 covenant be removed?

14:39:33 20 A. No.

21 Q. Okay. And Ripple -- you have stated
22 Ripple's view was that XRP was a currency, not a
23 security, correct?

24 A. It was also FinCEN's view, but, yes.

14:39:44 25 Q. Why was that covenant in there? If

14:39:44 1 Ripple had that view, why was it necessary?

2 THE REPORTER: Repeat that. Why
3 was?

4 Q. Why was it necessary?

14:39:50 5 MR. SOLOMON: Objection; calls
6 for a legal conclusion. He's not a
7 lawyer. He didn't write the contract.

8 Q. From a business perspective, why was a
9 covenant of that nature necessary?

14:39:59 10 A. I think it's a covenant that [REDACTED]
11 put in there. You'd have to ask them.

12 Q. You didn't ask them to take it out?

13 A. I was not involved in the negotiation of
14 the term sheet or final documents to close the
14:40:11 15 financing.

16 Q. Okay. Did you have, I guess, what one
17 might call Investor Days with Ripple shareholders
18 from time to time?

19 A. Yes.

14:40:27 20 Q. Okay. What was the purpose of those?

21 A. If you were a shareholder in Ripple, you
22 were likely interested in how the company is
23 doing. I also think it's good practice for
24 Silicon Valley start-ups that might aspire to
14:40:46 25 being a public company to start practicing

14:40:50 1 behaviors that are more public company-esque.

2 Q. Was [REDACTED] one of Ripple's
3 shareholders before the Series C?

4 A. Not to my knowledge.

14:41:06 5 Q. What about an entity called [REDACTED]
6 [REDACTED]?

7 A. Not to my knowledge.

8 Q. When you had Investor Days from time to
9 time, did you provide these people with truthful
14:41:18 10 and accurate information?

11 A. I believe so.

12 Q. Okay. And would you consider the equity
13 investors that Ripple had as sort of sophisticated
14 players in the financial markets?

14:41:31 15 A. Could you repeat the question?

16 Q. Would you consider the equity investors
17 that Ripple had as sophisticated players in the
18 financial markets?

19 A. I don't know. I mean, Ripple has an
14:41:44 20 order of magnitude of 1- or 200 shareholders. I'm
21 sure some of them are sophisticated investors and
22 I'm sure some of them are less sophisticated.

23 Q. The ones that you gave Investor Day
24 presentations to, would you consider those to be
14:41:59 25 sophisticated?

14:42:00 1 A. I don't know who attended Investor Day.

2 Q. Okay. When -- did -- where were these
3 Investor Days held, at Ripple or at their offices?

4 A. I mean, perhaps I'm -- the only Investor
14:42:13 5 Day I specifically remember was held at a hotel in
6 downtown San Francisco. I think we had more than
7 one, but that's the one that I happen to remember.

8 Q. Can you ballpark the date of that?

9 A. I don't know. Two to three years ago.

14:42:34 10 Q. And what the purpose of it was, can you
11 tell me that?

12 A. I think my testimony earlier, I'd have
13 to go back and read exactly, but I think to give
14 our shareholders more information about what's
14:42:44 15 going on with the company and to get better at
16 practicing to being -- adopting behaviors that are
17 more public company-esque.

18 Q. Okay. Do you know who [REDACTED] is?

19 A. I have met [REDACTED].

14:43:00 20 Q. Who is he?

21 A. I believe he's an associate at [REDACTED].

22 Q. Okay. And did he attend this Investor
23 Day presentation?

24 A. I don't know.

14:43:07 25 Q. Okay. In July 2018 -- on or around July

14:43:11 1 2018, did you speak to Ripple's equity investors
2 about what was going on in the company -- what was
3 going on in the company?

4 A. I don't recall when, as I testified
14:43:20 5 earlier. I -- I do recall now two different
6 Investor Days. There was one that was here in New
7 York at a hotel and one was at a hotel in San
8 Francisco. So I remember those two, but I don't
9 remember the dates of them.

14:43:31 10 Q. Were they after or before the SEC letter
11 of April 2018?

12 A. I don't recall.

13 Q. Okay.

14 A. No.

14:43:40 15 Q. Did you express at invest -- at these
16 Investor Days that you were optimistic about the
17 SEC's investigation, but could not guarantee the
18 outcome of the investigation?

19 MR. SOLOMON: Objection; form.

14:43:51 20 A. No.

21 Q. Okay. Did you express anything about
22 the conversations with the SEC at these Investor
23 Days?

24 A. That's a very different question. The
14:44:02 25 first time you called it an investigation.

14:44:04 1 Q. It's a different question.

2 A. Yeah. I don't recall specifically. I
3 would imagine we generally would practically talk
4 about regulatory dynamics globally. Is it
14:44:13 5 possible what you asked was included in that?
6 That's quite possible.

7 Q. Okay. Separate from, you know, whether
8 it's an investigation or the conversations with
9 the SEC -- you understood that the SEC in 2018 had
14:44:30 10 not made a statement about whether it viewed XRP
11 as a security or not, correct?

12 MR. SOLOMON: Objection; form.

13 A. Yes. I am aware that to my knowledge
14 the SEC had not made a determination in the summer
14:44:44 15 of 2018 as to whether or not XRP is a security.

16 Q. And did you understand that the SEC was
17 considering the issue?

18 A. I really didn't know.

19 Q. You didn't know --

14:44:55 20 A. It's -- sorry.

21 Q. You didn't know that the SEC was
22 considering whether XRP was or was not a security
23 in the summer of 2018?

24 A. I was very confused by the SEC's
14:45:07 25 behavior in choosing, for example, to proactively

14:45:12 1 come out and say that Ether was not a security.
2 And at the time we received a letter, which I
3 would have described as an informal inquiry, to
4 which we were cooperating, to learn more about XRP
14:45:27 5 and to learn more about Ripple.

6 Q. But did you have an understanding, you
7 know, just from attending meetings with the SEC --
8 we've talked about some of them -- that the SEC
9 was determining the issue about whether it was or
14:45:38 10 was not a security?

11 MR. SOLOMON: Objection; form.

12 A. I believe in the summer of 2018, which
13 is when you're asking about, I had not had any
14 meetings with the SEC other than with Chairman
14:45:51 15 Clayton. And Chairman Clayton did not express a
16 view that XRP was a security or that even it was
17 being discussed.

18 Q. Okay. And in the fall -- after you had
19 meetings in the fall, did you have an
14:46:01 20 understanding that the SEC was considering
21 whether maybe it was, maybe it was not a security?

22 MR. SOLOMON: Objection; form.

23 A. I -- again, I don't recall. My
24 viewpoint -- you know, we were having
14:46:12 25 conversations with almost entirely CorpFin. And

14:46:20 1 given the construct around decentralization as an
2 important tenet of the -- Director Hinman's speech
3 about Ether, it seemed like educating the SEC
4 about how the XRP Ledger is decentralized was a
14:46:34 5 step in the journey of -- maybe a similar journey
6 to what Joe Rubin and metallic had done with the
7 SEC previously.

8 Q. So a journey that might end with a
9 statement publically about XRP?

14:46:46 10 A. I think market clarity would have been
11 helpful as soon as possible.

12 Q. Okay. And so in -- in -- in or around
13 July 2018, did you state to [REDACTED], or at a
14 meeting that [REDACTED] attended, that you felt
14:47:01 15 optimistic that the SEC will rule in XRP's favor,
16 but could not guarantee that?

17 MR. SOLOMON: Objection; form.

18 A. I don't know what it means for the SEC
19 to rule in XRP's favor. I mean, there had been a
14:47:16 20 speech by Director Hinman. I -- I -- I don't
21 recall saying that to [REDACTED].

22 Q. Do you recall saying whether -- you
23 know, did you recall saying that you felt
24 optimistic that the SEC could potentially conclude
14:47:32 25 that XRP was not a security, but you could not

14:47:34 1 guarantee that?

2 MR. SOLOMON: Objection to form.

3 A. I don't recall speaking to [REDACTED] -- I
4 don't recall meeting [REDACTED] I know more who he
14:47:42 5 is, but I don't recall speaking to him about the
6 SEC's inquiry into XRP and Ripple.

7 Q. What about not speaking to him
8 necessarily but speaking at an event where he's at
9 such as an Investor Day? Do you recall stating at
14:47:57 10 one of these Investor Days, either in the New York
11 hotel or the San Francisco hotel, and saying
12 something along the lines of you feel optimistic
13 that the SEC will determine that XRP's not a
14 security, but you could not guarantee that?

14:48:11 15 MR. SOLOMON: Objection; form.

16 A. I don't recall making any statement like
17 that.

18 Q. Okay. Do you have any reason to think
19 you did not make that statement?

14:48:22 20 A. No. I mean, there's some interesting
21 timing-related things there based on information
22 you showed me this morning which is just hard to
23 reconcile. And it depends a little bit when the
24 Investor Day was.

14:48:31 25 Q. All right. Mr. Garlinghouse, over the

14:48:44 1 course of your time at Ripple, is it fair to say
2 that Ripple has made efforts to get XRP listed on
3 digital asset trading platforms?

4 A. Yes.

14:48:57 5 MR. CERESNEY: Objection; form.

6 Q. And what was the purpose for making
7 those efforts?

8 MR. CERESNEY: Objection; form.

9 A. A precondition to Ripple's product
14:49:06 10 strategy is liquidity between XRP and various fiat
11 currencies around the world. And if XRP doesn't
12 have trading pairs, then you don't have that
13 liquidity. And so if that's a precondition to
14 your product strategy, you want to make sure that
14:49:31 15 that exists.

16 Q. To -- to provide that liquidity, for
17 example, let's say between XRP and the Mexican
18 peso, Ripple has engaged market makers to help
19 provide that liquidity, is that right?

14:49:41 20 MR. SOLOMON: Objection; form.

21 A. I believe that's yes.

22 Q. Okay. And so why didn't Ripple do that,
23 you know, just provide that liquidity by engaging
24 market makers as opposed to putting it on
14:49:56 25 exchanges?

14:49:56 1 MR. SOLOMON: Objection; form.

2 A. Well, in the example I think you're
3 using, Bitso listed XRP independently of any work
4 with Ripple. So that liquidity existed there. We
14:50:11 5 then, as we brought customer flows, wanted to make
6 sure there was adequate liquidity to address those
7 customer flows and so we partnered with market
8 makers in those markets.

9 Q. And Ripple from time to time publicly
14:50:29 10 communicated the efforts it was making with
11 respect to getting XRP on exchanges, is that
12 right?

13 MR. SOLOMON: Objection; form.

14 A. Well, what time frame are we talking
14:50:41 15 about here?

16 Q. You know, when -- at various times when
17 you worked at Ripple. Well, if -- if there was a
18 moment when Ripple stopped, you can tell me. But
19 my question is: Ripple from time to time told the
14:50:52 20 market that it was making efforts to get XRP
21 listed, is that right?

22 MR. SOLOMON: Objection; form.

23 A. My recollection is that XRP, I mean, as
24 of within the last couple of years, has traded at
14:51:07 25 a couple hundred exchanges around the world, of

14:51:13 1 which Ripple partnered or facilitated a, you know,
2 very small percentage of those. Kind of less than
3 5 percent of those did Ripple facilitate or
4 partner in some way.

14:51:30 5 Separately, Ripple, in the interest of
6 transparency, in the interest of trying to get
7 what tended to be a little bit of a clandestine
8 market, trying to encourage more transparency,
9 trying to minimize misinformation in the market,
14:51:46 10 Ripple started years ago to proactively
11 communicate what's our view and what's going on in
12 the XRP markets and what we are doing in the XRP
13 markets.

14 Q. And did that include proactively
14:52:00 15 communicating Ripple's engagement with exchanges
16 to get XRP listed?

17 A. I think those would have included just
18 updates on the number of exchanges XRP was listed
19 independent of whether or not Ripple had
14:52:18 20 facilitated that.

21 Q. Did Ripple disclose publicly if Ripple
22 had facilitated a listing on the exchange?

23 MR. SOLOMON: Objection; form.

24 A. I don't know.

14:52:33 25 Q. Well, in terms of providing

14:52:36 1 transparency, did Ripple communicate its efforts
2 to get XRP listed on exchanges?

3 A. Isn't that the same question you just
4 asked?

14:52:47 5 Q. I'm trying to understand how -- you're
6 telling me that you wanted to have transparency,
7 but you don't know if there -- if these things
8 were communicated.

9 So my question is, is communicating
14:52:57 10 Ripple's efforts, would that have provided
11 transparency?

12 MR. SOLOMON: Objection; form.

13 A. I guess hypothetically -- I mean, I'm
14 not quite sure what you're asking me now. I
14:53:11 15 apologize.

16 Q. Yeah.

17 Would communicating Ripple's
18 efforts, to the extent they were made, to
19 get XRP listed, would that in your view
14:53:20 20 have provided more transparency to the
21 market?

22 MR. SOLOMON: Objection.

23 A. Sure. I -- I don't know because, you
24 know, we're kind of talking hypotheticals. If we
14:53:33 25 could talk about a specific example, I'd be happy

14:53:35 1 to --

2 MR. SOLOMON: He'll show you
3 documents. He's going to give you a
4 memory test first. Just do your best to
14:53:39 5 answer the questions.

6 A. Okay. I --

7 MR. SOLOMON: Qualify it however
8 you have to.

9 A. I don't recall -- what I recall about
14:53:45 10 our XRP Markets Reports is we tried to provide as
11 much information, as you're probably aware -- and,
12 frankly, I think the SEC -- well, any regulator
13 would be concerned. There's a lot of
14 misinformation out in the crypto marketplace. And
14:53:59 15 so our goal with the Markets Report was to provide
16 as much authoritative, clear information as
17 possible. Some of that involved what Ripple's
18 activities included and some of that certainly was
19 about observations about what we were aware other
14:54:13 20 people were doing.

21 You know, I guess part of your question
22 is could we be more exhaustive in the type of
23 information we provided in those XRP Markets
24 Reports? And I guess that that answer is of
14:54:25 25 course you can always include more information.

14:54:29 1 At some point you want them readable and
2 accessible and -- you know, I don't know, I think
3 they were roughly four to five pages long and that
4 seemed about right, the level of detail that we
14:54:39 5 provided about the markets.

6 Q. Thank you.

7 I'm not just talking about Market
8 Reports, but let's -- that's -- that's fine.
9 Let's be clear about something.

14:54:47 10 Did Ripple provide information to the
11 market about its activities outside of the Market
12 Reports?

13 A. You mean like the shareholder updates?

14 Q. Anything. The shareholder -- I'm
14:54:59 15 talking beyond just the shareholder updates. I
16 understand the shareholders are maybe a hundred to
17 200 people. I'm talking beyond that.

18 Did Ripple from time to time
19 while you've been CEO provide information
14:55:09 20 to the market that's not just in the
21 Market Reports? For example, tweets by
22 Ripple employees.

23 A. Oh.

24 Q. Interviews, et cetera.

14:55:18 25 A. Yes, Ripple employees and Ripple

14:55:20 1 corporate tweeted. Yes, Ripple employees
2 participated in panels, interviews, what have you.

3 Q. In the Consensus forum Ripple
4 participated?

14:55:36 5 A. Which one are we talking about?

6 Q. Let's say Ripple or its employees
7 participated from time to time in conferences in
8 the digital asset space.

9 A. For sure.

14:55:45 10 Q. Okay. So I just want to be sure. The
11 Markets Reports were not the only way in which
12 Ripple communicated to the market, is that right?

13 A. That's correct.

14 Q. Okay. Over the years, Ripple engaged in
14:55:58 15 attempts to get Coinbase to list XRP, correct?

16 MR. SOLOMON: Objection; form.

17 A. Over the years ripple spoke to Coinbase
18 about listing XRP.

19 Q. For what purpose?

14:56:15 20 A. Well, as I described earlier, the -- in
21 order to achieve our product strategy, providing
22 liquidity between XRP and fiat is foundational.
23 It's a precondition that needs to exist.

24 Coinbase was particularly, you know, I
14:56:35 25 think, robust in their own -- I viewed them as

14:56:39 1 kind of a white hat in the crypto space of having
2 robust AML procedures, robust KYC procedures.

3 And so our goal was, as I've described
4 many times, I think the more, quote/unquote,
14:56:51 5 adults in the crypto space that were furthering
6 the growth and expansion of the market, the
7 better. I think Coinbase would have met some of
8 those criteria. And so we sought to partner with
9 them around our product strategy.

14:57:06 10 Q. And so I think you said earlier over the
11 years Ripple spoke to Coinbase about listing XRP.
12 And was the purpose of that to eventually get them
13 to list XRP for the, excuse me, foundational
14 precondition that you have?

14:57:21 15 A. Yeah.

16 Q. Okay. And you yourself met with
17 Coinbase people over the years, right?

18 A. Yes.

19 Q. And do you recall approximately your
14:57:31 20 first outreach to Coinbase was?

21 A. I don't. My recollection is that
22 [REDACTED] and I went over and had lunch at
23 the Coinbase offices at some point. And maybe we
24 had lunch with [REDACTED] and I can't remember
14:57:47 25 who else.

14:57:48 1 Q. Okay. Separate from Coinbase, did you
2 offer Gemini money to list XRP?

3 A. I did not.

4 Q. Did Ripple?

14:57:53 5 MR. SOLOMON: Objection; form.

6 A. I actually don't know. I've read that
7 speculation, but I don't know if that's true or
8 not.

9 Q. Okay. Did you meet with Coinbase
14:58:15 10 officials more than once about -- I'm sorry,
11 Coinbase, you know, employees more than once about
12 the potential listing?

13 A. Yes.

14 Q. Okay. And who did you meet with?

14:58:30 15 A. My recollection -- I only remember
16 having two live meetings and one phone call. And
17 I met -- the live meeting -- the first live
18 meeting I described with [REDACTED], I don't
19 remember who we met with. I think [REDACTED] was
14:58:46 20 there. I'm not sure. Maybe he had left. And
21 then the other conversations were with --

22 MR. SOLOMON: Slow down a little
23 bit for the court reporter, please.

24 THE REPORTER: Thank you.

14:58:54 25 MR. SOLOMON: Why don't you start

14:58:55 1 over with your response.

2 A. So --

3 Q. Two live meetings, one phone call.

4 A. Well, at least one phone call. I -- to
14:59:05 5 the extent -- I believe your question was with
6 whom did I meet. The latter time periods, I met
7 with [REDACTED] in person once and I think by
8 phone once. I think I also reached out to [REDACTED]
9 [REDACTED], who joined as their head of Corp Dev. She
14:59:25 10 had been a Yahoo employee and someone I knew
11 personally.

12 Q. And at any point in time did you offer
13 Coinbase \$5 million to list XRP?

14 MR. SOLOMON: Objection to form.

14:59:36 15 A. They asked us to pay \$5 million, to
16 which we declined. And as time went by, I think
17 we went back to them and said, Was that still on
18 the table?

19 Q. And what did they say?

14:59:48 20 A. I believe they said no.

21 Q. Let's look at Exhibit 31, please.

22 MR. SOLOMON: It's three o'clock
23 on the nose. Would this -- do you want to
24 take a break before this one or after?


15:00:01 25 MR. TENREIRO: Either.

15:00:01 1 THE WITNESS: Let's do one more
2 and then take a break. Probably because
3 the coffee is going to be here in ten
4 minutes.

15:00:07 5 MR. SOLOMON: You're the boss.
6 One more document.

7 MR. TENREIRO: Thirty-one.

8 THE WITNESS: Oh, gosh, I forgot
9 about that.

15:00:27 10 MR. SOLOMON: What's that?
11 THE WITNESS: I forgot I met with
12 
13 MR. SOLOMON: That's all right.
14 That's why we're doing this.

15:01:42 15 (Pause)
16 (Whereupon, exhibit is received
17 and marked Garlinghouse Deposition
18 Exhibit 31 for identification.)
19 BY MR. TENREIRO:

15:01:48 20 Q. Okay. Having read this email, do you
21 see the part where you said, towards the bottom,
22 "In order to be listed, they expect a 'listing
23 fee' from all players to cover their costs. (I
24 was transparent with him that we" had
15:02:00 25 previously -- sorry, "that we have previously

15:02:02 1 offered \$5 million U.S. to increase the
2 prioritization/impact the decision about listing
3 XRP) "?

4 Do you see that?

15:02:10 5 A. I do.

6 Q. Okay. So I'm just trying to understand,
7 did you offer \$5 million to Coinbase?

8 A. I think my previous testimony I stand
9 by, which is I recall them asking us to pay them
15:02:21 10 \$5 million. We then later went and said, "Hey, is
11 that still on the table?" I think what I'm
12 regurgitating to [REDACTED] is that, hey, that had
13 happened.

14 Q. So when the -- when they asked you
15:02:35 15 originally, you declined or did not respond, or
16 what occurred when you first asked?

17 A. When they first --

18 MR. SOLOMON: Objection; form.

19 A. My recollection is when they first
15:02:43 20 asked, we didn't have the wherewithal from a
21 capital point of view to meet the ask and so it
22 was just kind of dismissed out of hand.

23 Q. Okay. And then at some point you went
24 back and said "Is that still on the table"?

15:02:54 25 A. That's my recollection, yeah.

15:02:55 1 Q. And that's what you're reflecting in
2 this email?

3 A. I believe that's correct.

4 Q. Okay. And did Mr. -- did [REDACTED] respond
15:03:00 5 to that question?

6 A. I can't quite tell from this email.

7 Q. And what about from your memory?

8 A. I don't recall.

9 Q. A little bit above, it says "Some at
15:03:17 10 Ripple felt that the criteria were designed to
11 exclude XRP."

12 Do you see that?

13 A. I do.

14 Q. Who at Ripple are you referring to
15:03:23 15 there?

16 A. I don't recall.

17 Q. What criteria are you referring to
18 there?

19 A. My recollection is around this time, I
15:03:31 20 guess, you know, Q4 2017, Coinbase published, as I
21 recall, an application process to have a digital
22 asset listed on Coinbase. And I don't remember
23 what the criteria were. I remember it being
24 laudable in its objective, a little bit chaotic in
15:03:50 25 its implementation, because everybody had, you

15:03:53 1 know -- this is kind of the post-ICO window. And
2 I think Coinbase was trying to do the right thing,
3 but didn't execute it as seamlessly as one might
4 have hoped.

15:04:08 5 Q. Why did you think they were designed to
6 exclude XRP, though?

7 A. I don't recall what the criteria were so
8 I don't recall why I wrote that.

9 Q. The email is to "Leadership."

15:04:18 10 Do you see that?

11 A. I do.

12 Q. Who is leadership?

13 A. Leadership is an email distribution list
14 that, generally speaking, just includes all my
15:04:29 15 direct reports. Chris Larsen would be included on
16 there and at various times there might have been
17 other people that were on that list.

18 Q. All right. Eventually Coinbase listed
19 XRP on or around February 2019, is that correct?

15:04:43 20 MR. SOLOMON: Objection to form.

21 A. It sounds correct. I -- I don't recall
22 exactly.

23 Q. Speaking of not Coinbase specifically,
24 but exchanges, did Ripple from time to time enter
15:04:56 25 into agreements with exchanges?

15:04:57 1 MR. SOLOMON: Objection; form.

2 A. I think my testimony earlier was I think
3 there were over 200 exchanges around the world
4 with XRP of which I think five or six Ripple has
15:05:08 5 had some sort of relationship with.

6 Q. The relationship include agreements,
7 contracts?

8 A. Yeah. That's what I mean by
9 "relationship." Yes.

15:05:16 10 Q. And, generally, some of these provide
11 for payments to the platforms, for example, with
12 respect to volume incentives and things of that
13 nature?

14 MR. SOLOMON: Objection; form.

15:05:28 15 A. I believe that's correct.

16 Q. Okay. And what role, if any, did you
17 have in entering into those agreements?

18 A. Minimal, if any.

19 Q. Did you have to approve or sign them on
15:05:39 20 behalf of the company?

21 A. That probably depends upon the
22 materiality. I don't recall sitting here today
23 signing any of them or even being involved in
24 negotiating any of them.

15:05:55 25 Q. Back to Coinbase. Who at Coinbase, if

15:06:00 1 anyone, communicated to you their decision that
2 now they're going to list XRP?

3 MR. SOLOMON: Objection.

4 A. I didn't know Coinbase was going to list
15:06:08 5 XRP until it was public. I actually specifically
6 asked [REDACTED] not to tell us or anyone at Ripple
7 because I felt like it only invited scrutiny.

8 Q. By whom?

9 A. The media. Anybody. At -- you know, at
15:06:21 10 the time this was going on, every time Coinbase
11 listed a digital asset, that tended to drive the
12 price. I thought the best way to mitigate any
13 accusations, observations, was just we don't want
14 to know.

15:06:41 15 Q. Ripple understood that announcements
16 about listing of XRP could have an impact on the
17 price of XRP, right?

18 MR. SOLOMON: Objection. Are you
19 asking him if he understood or if the
15:06:51 20 company understood or everybody at the
21 company?

22 MR. TENREIRO: No, the company.

23 A. Well, I mean, when you say "the
24 company," I mean, I don't know what all the
15:07:02 25 employees at Ripple thought.

15:07:03 1 Q. What did you think?

2 A. Well, it was my testimony before. It's
3 just that when Coinbase listed a new digital asset
4 on its platform, my observation of the market was
15:07:15 5 that it drove the price of that digital asset.

6 Q. Drove the price up?

7 A. And sometimes down.

8 Q. And do you have a belief as to why it
9 would go down?

15:07:27 10 A. If I had had the foresight, even
11 hindsight, to be able to explain the gyrations of
12 the digital asset markets, I would probably be in
13 a different job.

14 Q. But it moved the price in one direction?
15:07:44 15 That was your observation?

16 A. Well, my observation was it would drive
17 volatility in that digital asset. It sometimes
18 would drive it up; sometimes it would drive it
19 down; sometimes it would drive it up, then down.
15:07:55 20 My experience was -- I actually remember a meeting
21 with the SEC discussing this exact point, as I
22 recall.

23 Q. Did -- did Ripple enter -- enter into a
24 custodial agreement with Coinbase?

15:08:10 25 A. I believe so.

15:08:12 1 Q. For what purpose?

2 A. Yeah. I mean, similar to kind of my
3 comments around [REDACTED], anything that is
4 helping drive the maturity, expansion, growth of
15:08:24 5 the digital asset market, I view that as good for
6 Ripple. And so seeing robust custody providers
7 that worked with institutions and regulators I
8 viewed as a good thing.

9 Q. And did you -- a good thing just for the
15:08:42 10 market generally or for Ripple specifically?

11 A. Well, as I've testified, my general view
12 is if it's good for the market, it's good for
13 Ripple.

14 Q. Okay. And what conversations did you
15:08:51 15 have with Coinbase -- you, Mr. Garlinghouse -- in
16 connection with the custody asset -- custody
17 agreement?

18 A. I don't recall having any conversations
19 with Coinbase about the custody agreement.

15:09:02 20 Q. Okay. Did you sign the custody
21 agreement?

22 A. I don't recall.

23 Q. After the listing, I think your
24 testimony is you had asked Coinbase not to tell
15:09:14 25 you about the listing and you found out when the

15:09:17 1 public found out about the listing of XRP, is that
2 right?

3 A. Yeah. I -- I mean, I'm not sure I agree
4 with exactly what you said, but I -- I didn't
15:09:29 5 want -- I didn't ask -- I didn't know they were
6 going to list XRP. So I think your -- I just --
7 my answer is I don't want to know. You guys
8 should do what you want to do. If it makes sense
9 for your business, Coinbase, then you should list
15:09:45 10 XRP. If it doesn't make sense for your
11 business --

12 THE REPORTER: Wait. Slow down.

13 THE WITNESS: Sorry.

14 THE REPORTER: "If it makes
15:09:46 15 sense for your business..."?

16 A. You should list XRP. If it doesn't make
17 sense for your business, then you shouldn't list
18 XRP. I said to the extent you decide to list XRP,
19 we don't want to know.

15:10:00 20 Q. And is it your testimony that when it
21 was announced publicly that XRP -- that Coinbase
22 was going to list XRP, that you, Mr. Garlinghouse,
23 did not know that until it was announced publicly?

24 A. That's my recollection, yes.

15:10:12 25 Q. Why the change between negotiating -- or

15:10:15 1 discussing with Coinbase \$5 million, potentially
2 listing, and going to do whatever you want?

3 A. You know, when those conversations first
4 started with Coinbase, there was a lot less
15:10:29 5 liquidity in the XRP markets. There were far
6 fewer exchanges. And Coinbase -- Coinbase's
7 importance would have been more important.

8 By the time I, you know, met with [REDACTED]
9 [REDACTED] and much later -- you know, and kind of
15:10:53 10 this is -- I guess you said 2019. You know, by
11 that time XRP was listed on lots of exchanges
12 around the world, had much, much, much more
13 liquidity. And so the importance of Coinbase,
14 quite frankly, had gone down in the industry.

15:11:13 15 And I felt ultimately it's in
16 their capitalistic interest as an
17 exchange -- given they derive revenue
18 from trading, it's in their interest to
19 have more trading. And if listing XRP
15:11:34 20 fueled that, then they would do that, or
21 not, based upon their own self-interest.

22 Q. How do they derive revenue from trading
23 of XRP?

24 MR. SOLOMON: Objection.

15:11:44 25 A. How does -- is the question how does

15:11:46 1 Coinbase derive revenue from trading?

2 Q. Yes.

3 A. I'm not an expert on that. I mean, I
4 have a basic understanding. I'm not the right
15:11:54 5 person to --

6 Q. No, just your basic understanding.
7 That's fine. You know, you said you viewed that
8 at some point it would be in their capitalistic
9 interest because they derive revenue.

15:12:06 10 So just what was your understanding of
11 how an exchange -- you can focus on Coinbase or
12 not, I'm just curious. What was your
13 understanding of how the revenue was derived?

14 MR. SOLOMON: Objection.

15:12:16 15 A. I think my understanding is Coinbase
16 takes a percentage of -- has a fee on buying or
17 selling the digital assets they list. And so
18 the -- the more trading, the better.

19 Q. So you had an understanding that if it
15:12:33 20 was in their financial interest, they would list
21 XRP based upon their own self-interest
22 essentially?

23 MR. SOLOMON: Objection; form.

24 A. Right. I think I read -- I don't know
15:12:44 25 if it's accurate -- that 17 percent -- when the

15:12:47 1 SEC decided to sue Ripple and Coinbase
2 subsequently halted trading of XRP, I believe it
3 represented 17 percent of their revenue. XRP
4 trading represented 17 percent of their revenue.

15:13:00 5 I don't know if it's accurate because I'm not with
6 Coinbase, but that's what I read.

7 Q. Okay. After Coinbase -- the decision to
8 list was announced, did you speak to Coinbase
9 about the decision?

15:13:11 10 A. I don't believe -- I don't recall.

11 Q. Is it possible you spoke to them about
12 the decision and just don't recall?

13 A. I -- I -- I don't recall.

14 Q. Okay. Was the custody agreement some
15:13:29 15 sort of olive branch, say, that Ripple extended to
16 Coinbase with -- in connection with its
17 conversations about listing XRP?

18 MR. SOLOMON: Objection.

19 A. No. I viewed the custody agreement as
15:13:39 20 in the interest of the crypto landscape broadly.
21 And if there's robust institutional custody,
22 even -- I mean, obviously they didn't support or
23 list XRP at the time, but the more institutional
24 custody players, the better it is for Ripple's
15:13:56 25 strategy.

15:13:56 1 Q. And was Ripple -- around the time that
2 Coinbase actually did list XRP, which I'm telling
3 you is around February of 2019, was Ripple
4 disinterested in whether Coinbase would list XRP?

15:14:06 5 MR. SOLOMON: Objection.

6 A. Well, I think as I testified, I remember
7 speaking to [REDACTED] and saying "List XRP
8 or don't list XRP, you guys should do what's best
9 for you."

15:14:21 10 Q. If you -- if you have to choose, which
11 one would you have picked back then? Would you
12 have preferred them to list it or not?

13 MR. SOLOMON: Objection; form.

14 A. Clearly the more -- as I've testified,
15 the more liquidity in the market, the better. So
16 to the extent Coinbase listed XRP, I viewed that
17 as a positive for the market.

18 Q. Did the --

19 MR. TENREIRO: Almost done, Matt.

15:14:45 20 MR. SOLOMON: Okay.

21 Q. Did the -- sorry. So I think I asked
22 you, but let me just make sure I did.

23 After the listing was announced, did you
24 talk to Coinbase about their decision, the basis
15:14:58 25 for their decision?

15:14:59 1 MR. SOLOMON: Objection; asked
2 and answered.
3 A. I don't recall speaking to them.
4 Q. Did anyone at Coinbase tell you that the
15:15:05 5 SEC had cleared their decision to list XRP under
6 the securities laws?
7 MR. SOLOMON: Objection; form.
8 A. No. I don't recall anyone at Coinbase
9 telling me that the SEC had cleared their
15:15:18 10 decision.
11 Q. Because you'd remember something like
12 that, wouldn't you?
13 MR. CERESNEY: Objection; form.
14 A. I -- I -- I don't recall.
15:15:26 15 Q. My question is, do you think you would
16 remember if somebody like a Coinbase told you
17 something like that?
18 A. I don't know.
19 Q. Okay. Do you think you would have made
15:15:35 20 a public statement about the SEC clearing XRP for
21 Coinbase's listing if Coinbase had told you
22 something like that?
23 MR. CERESNEY: Objection to form.
24 MR. SOLOMON: Objection; form.
15:15:47 25 A. I -- I -- I mean, the only thing you've

15:15:48 1 refreshed in asking these questions, I remember
2 Coinbase created some sort of framework for
3 determining a scoring system for digital assets
4 and they scored XRP at four or something. And I
15:15:59 5 don't remember what the range was. And I believe
6 I knew before that Coinbase had met with the SEC
7 in creating that construct.

8 But, again, I think your
9 question is, simply, did I speak to -- or
15:16:14 10 would I remember? I -- you know, I don't
11 know.

12 Q. Did anyone tell you that Coinbase's
13 decision to list XRP had been affirmatively
14 cleared by the SEC?

15:16:25 15 A. In what time frame?

16 Q. At any time.

17 A. I think that starts to encroach on
18 attorney-client privilege.

19 Q. Other than counsel, did anyone tell you
15:16:36 20 that Coinbase's decision to list XRP had been
21 affirmatively cleared by the SEC?

22 A. I think I read it on Twitter, so I guess
23 yes.

24 Q. People on Twitter told you?

15:16:46 25 A. I don't know. I -- I don't know.

15:16:49 1 MR. SOLOMON: Do you understand
2 what he means by "affirmatively cleared"?
3 I just want to make sure you understand
4 the questions that you're answering. And
15:16:55 5 if you do, that's perfectly fine. If you
6 don't, you need to ask for clarification.

7 A. Can you clarify what you mean by
8 "affirmatively cleared"?

9 Q. Well, did anyone tell you that the SEC
15:17:05 10 had approved of Coinbase's decision to list XRP?

11 A. I don't recall.

12 Q. Okay. And did that include what you
13 read on Twitter? Did anyone on Twitter tell you
14 that the SEC had approved Coinbase's decision?

15:17:24 15 A. You asked me a question is there any
16 period of time. Certainly during the period of
17 time -- and this is outside of attorney-client
18 privilege conversations --

19 Q. Yes.

15:17:34 20 A. -- I have read what I'm sure other
21 people in this room have read on the Twitterverse,
22 that people are speculating based upon various
23 court filings that have become public about
24 Exchange A meeting with the SEC and then
15:17:46 25 subsequently listing XRP.

15:17:49 1 Q. At the time of the listing of XRP, were
2 you aware of Coinbase meeting with the SEC?

3 A. I don't believe so, no.

4 Q. Okay.

15:18:00 5 A. I don't recall, but I'm not aware that I
6 would have known that.

7 Q. Okay. When --

8 A. I don't know why I would have.

9 Q. Did Coinbase tell you "We met with the
15:18:07 10 SEC"?

11 A. I don't recall.

12 Q. Did anyone at the SEC tell you "We met
13 with Coinbase"?

14 A. I don't recall.

15:18:14 15 Q. Okay. Did anyone at Ripple tell you
16 "Coinbase just told us they met with the SEC"?

17 A. I don't recall.

18 Q. Did anyone at Ripple tell you "The SEC
19 just told us we met with Coinbase"?

15:18:22 20 A. I still don't recall.

21 Q. Okay. With respect to the rating --
22 last question and then we can go on break.

23 With respect to the rating, do you
24 recall whether Ripple was classified as one of the
15:18:35 25 most likely to be a security by Coinbase's ratings

15:18:39 1 of the assets they raised -- they rated? I'm
2 sorry.

3 MR. SOLOMON: I didn't hear that
4 question. I'm so sorry. Would you ask
15:18:43 5 that one more time?

6 Q. With respect to the Coinbase rating, do
7 you recall whether Ripple was classified as one of
8 the most likely to be a security? And maybe I
9 should have said XRP.

15:18:52 10 A. Yeah.

11 Q. Do you recall whether XRP was classified
12 as one of the most likely to be a security of the
13 ones they rated?

14 A. I remember on the scale they had, it was
15:19:03 15 on the closer to security than -- where I think
16 they had bitcoin at the lowest point. They had
17 it, you know, below the threshold of where they
18 viewed it as a security, and a whole lot of things
19 falling to the side, but not as good as bitcoin.

15:19:17 20 Q. And did you -- and did you find that
21 out, that rating out, before or after the listing
22 decision?

23 A. I don't recall.

24 Q. Okay.

15:19:25 25 MR. TENREIRO: Let's take a

15:19:26 1 break.

2 THE VIDEOGRAPHER: Okay. Going
3 off the record, 3:21.

4 (Whereupon, a recess is taken.)

09:50:31 5 THE VIDEOGRAPHER: Okay. Back on
6 at 3:39.

7 (Whereupon, exhibit is received
8 and marked Garlinghouse Deposition
9 Exhibit 127 for identification.)

15:38:10 10 BY MR. TENREIRO:

11 Q. Let me show you Exhibit 127,
12 Mr. Garlinghouse.

13 MR. TENREIRO: This is one of the
14 ones I only have four copies of so I
15:38:16 15 apologize in advance. In fact, I just
16 gave you my copy.

17 (Pause)

18 BY MR. TENREIRO:

19 Q. Okay. So earlier I had asked you about
15:38:47 20 whether Ripple had offered \$1 million to Gemini to
21 list XRP.

22 Do you recall that?

23 A. No.

24 Q. Okay. Did Ripple offer Gemini a million
15:38:56 25 dollars to list XRP?

15:38:58 1 A. Based upon this e-mail, it looks like
2 Patrick Griffin offered Gemini a million dollars
3 to list XRP.

4 Q. Did Patrick -- Patrick Griffin have the
15:39:06 5 authority to do that without some sort of
6 authorization?

7 A. I don't recall.

8 Q. And you were copied on this e-mail,
9 correct?

15:39:26 10 A. Yes.

11 Q. Okay. Setting aside the email of
12 payments for listing XRP, is it fair to say that
13 Ripple facilitated some exchanges listing XRP
14 with, like, integration services, support, things
15:39:39 15 of that nature, not necessarily monetary?

16 A. I think that's fair.

17 Q. Okay. And did Ripple provide that sort
18 of help with respect to all the 200 exchanges that
19 you mentioned that listed XRP at some point or
15:39:53 20 with respect to only a fraction of them?

21 MR. SOLOMON: Objection; form.

22 Q. Again, not -- not the monetary stuff,
23 just helping with integrating or things of that
24 nature.

15:40:02 25 MR. SOLOMON: Objection; form.

15:40:07 1 A. My understanding is Ripple had nothing
2 to do with the listing of XRP on the vast majority
3 of those 200 exchanges and change that have chosen
4 to list XRP.

15:40:17 5 Q. That's fine.
6 What percentage of that 200 or so did
7 Ripple provide integration support or something of
8 that nature that's not necessarily monetary, but
9 some support?

15:40:28 10 A. I don't know.

11 Q. And who would know?

12 A. I don't know.

13 Q. Okay. Let's move on from that.

14 I think earlier you testified that you
15:40:45 15 sold your XRP for fiat and only for U.S. dollars,
16 is that correct?

17 A. I believe that was my testimony. I
18 believe -- to the best of my recollection, I only
19 recall selling my XRP for U.S. dollars.

15:41:01 20 Q. Okay. And when you were CEO, what about
21 Ripple's sales of -- of XRP? Were those in
22 exchange for -- for U.S. dollars or for other
23 assets?

24 MR. SOLOMON: Objection; form.

15:41:15 25 A. I don't know. I don't recall.

15:41:16 1 Q. Well, while you have been CEO, are you
2 aware that Ripple sold its XRP for dollars?

3 A. Yes.

4 Q. Okay. And did you approve, as Ripple's
15:41:29 5 CEO, XRP sales?

6 A. Yes.

7 Q. Okay. And sitting here today, do you
8 know whether XRP -- whether Ripple sold XRP for
9 other digital assets such as bitcoin?

15:41:45 10 A. I believe the answer's yes, but I don't
11 really know.

12 Q. Would you know the order of magnitude of
13 the amount of bitcoin Ripple sold its XRP for?

14 A. No.

15:41:54 15 Q. Okay. And since, you know -- up until
16 today -- I think you said your last sale of XRP
17 was around -- your personal, Mr. Garlinghouse,
18 sale of XRP, what is the total amount in U.S.
19 dollars that you've sold?

15:42:16 20 A. I don't know.

21 Q. Ballpark.

22 A. My -- my ballpark estimate is from what
23 the SEC has asserted in their litigation.

24 Q. So around \$159 million?

15:42:31 25 A. I believe that's the number that the SEC

15:42:34 1 has put forth. I have not audited that.

2 Q. Do you have your own -- before you, you
3 know, saw the SEC's allegation about the number,
4 did you have your own sort of ballpark of how much
15:42:47 5 you sold, or no?

6 A. I did not.

7 Q. You didn't keep track of it?

8 A. I did not personally keep track of it.

9 Q. Did you have someone keep track of it
15:42:59 10 for you?

11 A. Indirectly I have tax professionals and
12 accounting professionals that work for me which
13 would have had that visibility.

14 Q. Okay. And so sitting here today, to the
15:43:17 15 best of your understanding, it -- it's around \$159
16 million?

17 A. I have no reason to doubt the accounting
18 of the SEC, but I also have never taken the time
19 to audit that information.

15:43:33 20 Q. Why not?

21 A. Why?

22 Q. Okay. That's fine.

23 A. I'm not trying to be argumentative.

24 Q. Why bother? Okay.

15:43:48 25 A. I don't think it has a bearing on

15:43:50 1 whether or not XRP's a security.

2 Q. Oh, I -- I certainly didn't mean to
3 imply that. I -- I just was asking why you had
4 never done that, if there was any particular
15:44:01 5 reason. You know, I was too busy. It didn't
6 matter to me. Was there any particular reason?
7 Maybe there wasn't.

8 A. I've never added up how much I've paid
9 in taxes for the last, you know, several years. I
15:44:11 10 don't, you know --

11 Q. Probably a good idea.

12 So did -- sorry.

13 Ripple's sales of XRP since you've been
14 CEO, how much has Ripple sold for -- you know, how
15:44:39 15 much in U.S. dollars has Ripple obtained for the
16 XRP it has sold?

17 A. During my -- I don't know.

18 Q. Could you ballpark that?

19 A. I mean, I believe the SEC's litigation
15:44:56 20 asserts that it's order of magnitude of \$600 or
21 \$700 million. I'm actually not sure about that
22 either. But I have no reason to believe it's
23 materially different.

24 Q. Is the -- I think you said you started
15:45:12 25 selling XRP sometime in 2017. Is that fair?

15:45:15 1 A. Yes, I believe that was my testimony.

2 Q. And then I think your last sale was in
3 Dec -- around December 2020?

4 A. Yes. That's -- to the best of my
15:45:27 5 recollection, yes.

6 Q. In that period of time, between the
7 first and last sales of XRP for --
8 Mr. Garlinghouse, for you, did you -- was -- were
9 proceeds from your sales of XRP the largest source
15:45:36 10 of your income?

11 A. I mean, like many things in life, it's
12 a -- subject to your perspective and how you value
13 option grants and equity and vested equity and
14 those types of things. In terms of what I
15:45:57 15 reported on my tax returns, the answer to that
16 question would be yes.

17 Q. And can you give me the order of
18 magnitude, what was, like, the second largest
19 source of your income that you reported? Was it
15:46:08 20 your salary or was it the sale of some assets or
21 what was it?

22 MR. SOLOMON: I just want to
23 caution you at this point to just maintain
24 fidelity with the judge's order where she
15:46:18 25 expressly said that the SEC -- it would

15:46:22 1 not be appropriate for the SEC to try to
2 measure Mr. Garlinghouse's sales of XRP
3 against other aspects of his financial
4 portrait in order to try to build some
15:46:34 5 motive argument.

6 I'm going to give you a little
7 bit of latitude on this. I just want to
8 make sure you're not going around that
9 order. I'd just remind you of that.

15:46:43 10 A. I don't know.

11 Q. Would that be reflected, I guess, in
12 your tax returns or your bank records or where?

13 A. The first place I'd probably look is my
14 tax returns. My -- my salary would not have been
15:47:05 15 the second highest source of income. But I am an
16 investor in a bunch of private companies, in
17 various investment funds. Some of those have been
18 very successful and so I don't know.

19 Q. Okay. Without getting into the details
15:47:22 20 of what those investments are, I'm just trying to
21 get order of magnitude. Like, was it, you know, a
22 small fraction compared to the XRP proceeds or was
23 it about the same amount, for example, as your XRP
24 proceeds?

15:47:41 25 A. I -- I -- I don't know exactly how to

15:47:42 1 compare those, you know. Maybe there's one, just,
2 example. I invested in a start-up called [REDACTED]
3 [REDACTED] started by a guy who used to work for me,
4 and it yielded, you know, somewhere north of \$ [REDACTED] to
15:47:59 5 \$ [REDACTED] of proceeds from a relatively small
6 investment.

7 So, you know, how does that compare in
8 any one year against XRP grants? You know, I --
9 we'd have to go year by year and compare various
15:48:10 10 sources of income and what is sold and not sold.
11 So I don't know how to answer the question
12 exactly.

13 Q. All right. Fair enough. Let's move on.

14 So going back to Ripple's sales of XRP,
15:48:22 15 is it fair to say Ripple sought to raise U.S.
16 dollars by its sales of XRP?

17 A. With -- in what time period, I guess?

18 Q. While you were CEO.

19 A. So while I have been CEO, Ripple has
15:48:45 20 sold XRP to its customers and Ripple has sold XRP
21 programmatically. As I believe the SEC is aware,
22 we no longer sell XRP programmatically. I think,
23 as I testified earlier, we have sold XRP both for
24 dollars as well as, I think in some occasions, for
15:49:05 25 other digital assets.

15:49:06 1 Q. And when you reference sales to
2 customers, are you talking about customers that
3 use a product that at some point was called ODL?

4 A. Yes, but a specific -- you know, there's
15:49:21 5 a piece of -- one of the exhibits earlier
6 referenced XR -- or XRP-O, XRP-Origination. We
7 now call that Wallet Send. And that would be
8 sales of XRP to customers who are using it for
9 payment flows.

15:49:37 10 Q. And when did those sales begin?

11 A. I think the summer of 2020.

12 Q. Okay. Before those sales, for example,
13 with respect to Ripple's programmatic sales of
14 XRP, was Ripple seeking to raise U.S. dollars in
15:49:56 15 exchange for its XRP sales -- for its XRP?

16 A. Ripple was seeking to sell XRP in
17 exchange for dollars.

18 Q. Okay. Do you know how many decimals a
19 unit of XRP is divisible into?

15:50:11 20 A. How many decimals?

21 Q. Yeah. How many zeroes can you get to?

22 A. I don't know.

23 Q. Do you know what the smallest unit of
24 XRP is called?

15:50:18 25 A. I think it's called a drop.

15:50:19 1 Q. And so do you know what fraction of one
2 unit of XRP a drop is?

3 A. I don't know.

4 Q. Okay. Are you -- is one unit of XRP
15:50:38 5 distinguishable from any other unit of XRP as far
6 as you know?

7 A. Effectively, I think that's true. I
8 think -- I suppose there's some technical argument
9 that an individual unit of XRP sits in one
15:50:55 10 specific area of a blockchain, which may
11 distinguish it from another, but I don't know the
12 intricacies of that.

13 Q. Beyond that, is there anything else that
14 might distinguish one unit from another as far as
15:51:07 15 you know?

16 A. I can't think of anything right now.

17 Q. Okay. When -- when there is a change in
18 the price of XRP in the market, does that change,
19 as far as you know, apply to all the units of XRP
15:51:19 20 or does it apply to some of them?

21 MR. SOLOMON: Objection; form.

22 A. I believe it applies to all of them.

23 Q. Okay. And have you ever had any
24 different understanding than that?

15:51:41 25 A. I mean, I think I'm confused by the

15:51:45 1 question. Are there different prices for
2 different units of XRP?

3 Q. Yeah.

4 A. I mean, I guess it depends a little bit
15:51:55 5 on -- I mean, there have been times in my
6 experience where some exchanges might have a
7 slightly different price than another exchange
8 despite the fact that there are effectively
9 indistinguishable units of XRP between
15:52:12 10 exchanges --

11 THE REPORTER: Slow down.

12 "There are effectively
13 indistinguishable"?

14 A. Unit of XRP between the exchanges. And
15:52:15 15 that's where you have market makers facilitate --
16 you know, they're trying to make money by trading
17 the difference.

18 Q. Okay. In connection with being Ripple's
19 CEO, did you approve sales targets for XRP?

15:52:43 20 MR. SOLOMON: Objection to form.

21 A. I'm not sure I would characterize them
22 as targets as much as forecasts. Maybe those are
23 similar, but...

24 Q. Well, did Ripple ever have sales targets
15:53:01 25 with respect to sales of XRP?

15:53:02 1 MR. SOLOMON: Objection; form.

2 A. I expect there are documents which would
3 have referred to a sales target. I think in my
4 mind that would have been relatively
15:53:17 5 indistinguishable from a sales forecast of what we
6 expected to be sold of XRP in a certain time
7 period.

8 Q. Programmatic sales were based on volume?

9 MR. SOLOMON: Objection; form.

15:53:35 10 A. That's correct. Programmatic sales were
11 based upon daily market activity of the overall
12 XRP market.

13 Q. And so to the extent you might have had
14 a sales forecast, was Ripple forecasting what they
15:53:46 15 thought the volume would be, in essence?

16 A. In essence.

17 Q. Okay. Did Ripple grant XRP to employees
18 from time to time when you were CEO?

19 A. Yes.

15:53:58 20 Q. Did you approve those grants?

21 A. Yes.

22 Q. To whom did Ripple offer XR -- I'm
23 sorry.

24 To whom did Ripple grant XRP while you
15:54:08 25 were CEO that you might have approved?

15:54:13 1 A. I wouldn't know how to start that list.
2 I -- you know --

3 Q. What about your direct reports?

4 A. I would guess that most, if not all, of
15:54:27 5 my direct reports have an XRP grant that vests
6 over time.

7 Q. To the extent that you were involved
8 with, you know, awarding them these grants that
9 vest over time, why did you do it? Why did you
15:54:42 10 grant them XRP?

11 MR. SOLOMON: Objection; form.

12 A. As a compensation tool.

13 Q. Okay. Why would you want to compensate
14 them with XRP as opposed to U.S. dollars?

15:54:56 15 MR. SOLOMON: Objection; form.

16 A. I think people who work at Ripple are
17 generally interested in digital assets and sought
18 to receive, sometimes hold, and generally
19 participate in the XRP market.

15:55:19 20 Q. In fact, sometimes -- I think you
21 referenced that, but sometimes individual
22 employees at Ripple asked you to be compensated in
23 XRP, is that right?

24 MR. SOLOMON: Objection; form.

15:55:28 25 Q. Mr. Vias?

15:55:29 1 MR. SOLOMON: Objection; form.

2 A. Mr. Vias did ask to receive various
3 compensation denominated in XRP.

4 Q. To the extent that you approved granting
15:55:41 5 XRP to employees, was one of the reasons to do
6 that to closer align the employees' interests with
7 the company's interest?

8 MR. SOLOMON: Objection; form.

9 A. My own philosophy about compensation in
15:56:00 10 Silicon Valley is that the best way to align
11 incentives is the long-standing kind of tradition,
12 if you will, of using equity.

13 And so, to my knowledge, every employee
14 that joins Ripple receives equity either in the
15:56:17 15 form of an option or in an RSU. And I think
16 that's the best way to align interests between
17 employees and shareholders.

18 Q. Now -- no, I understand your testimony
19 about the best way to align interest. My question
15:56:32 20 is slightly different, which is, to the extent
21 that you granted employees XRP, was one of the
22 reasons to further align their interests with the
23 interests of the company?

24 MR. SOLOMON: Objection; form.

15:56:47 25 A. I -- I guess the distinction I'm making

15:56:49 1 is I guess they're already fully aligned if you --
2 they have equity. And I don't know that it
3 further -- if you already have kind of fully
4 aligned incentives, can you further align it? You
15:56:59 5 know, I viewed it as a compensation tool.

6 Q. Okay. And did someone recommend to you
7 that you grant XRP to employees from time to time
8 as compensation?

9 A. I suspect, yes.

15:57:14 10 Q. Who?

11 A. I don't recall.

12 Q. Okay. Let's look at Exhibit 1 real
13 quick.

14 (Whereupon, exhibit is received
15:57:21 15 and marked Garlinghouse Deposition
16 Exhibit 1 for identification.)

17 BY MR. TENREIRO:

18 Q. This is an employment offer letter. And
19 I'm not going to ask you much about it -- it would
15:57:32 20 take too much time to read it, I think -- but I do
21 want to see if you see your signature in any of
22 these pages.

23 A. I do see my signature.

24 Q. Okay. And do you see that on which
15:57:50 25 page?

15:58:01 1 A. In my document they're not numbered.

2 Q. Well, there's a Bates at the bottom
3 where it says GARL_Civil_465. Got it?

4 A. 471. Sorry.

15:58:08 5 Q. What about -- okay. 471 has your
6 signature?

7 A. As does 465.

8 Q. Okay. If you go to the first page, is
9 it -- does it refresh your recollection that when
15:58:28 10 you started at Ripple, you got a salary, a \$ [REDACTED]
11 [REDACTED] XRP grant structured as a four-year loan,
12 and [REDACTED] shares of the company?

13 MR. SOLOMON: If you're going to
14 ask him questions about the document, I'm
15:58:41 15 just going to ask that he has an
16 opportunity to read the entire document.
17 I'm not being difficult about that. I
18 just do want him to read it, though.

19 BY MR. TENREIRO:

15:58:51 20 Q. Yeah. Go ahead.

21 MR. TENREIRO: It's up to you. I
22 don't think he needs to read the exhibit,
23 but it's a pretty straightforward front
24 page.

16:01:26 25 (Pause)

16:01:26 1 BY MR. TENREIRO:

2 Q. Are you reading the Appendix?

3 A. Yeah. It references the exhibits, so I
4 was going to take a quick look.

16:01:53 5 Q. Okay.

6 (Pause)

7 A. Okay.

8 Q. Okay. When you started working at
9 Ripple, is it fair to say you received a salary in
16:05:03 10 dollars, an XRP loan as it's described here, and
11 shares in the company?

12 MR. SOLOMON: Objection; form.

13 A. No.

14 Q. What did you receive?

16:05:14 15 A. I received a salary, bonus and equity.

16 Q. The bonus was -- the salary was the U.S.
17 dollars and the XRP?

18 A. No.

19 Q. What was the salary?

16:05:28 20 A. I believe it's correct. It was

21 \$ [REDACTED]

22 Q. And what is that [REDACTED] XRP
23 structured as a four-year loan?

24 A. I don't know.

16:05:37 25 Q. Did you receive that [REDACTED] XRP?

16:05:43 1 A. Not in 2015.

2 Q. In the bonus pool, your bonus is based
3 on, at least for Q1, for the year ending Q1 2018,
4 [REDACTED] percent of XRP revenue.

16:05:53 5 Do you see that?

6 A. Yes.

7 Q. And did you receive a bonus based on [REDACTED]
8 percent of XRP revenue?

9 A. I expect I did, yes.

16:06:02 10 Q. Okay. So the higher the XRP revenue for
11 Ripple, the higher the bonus for you?

12 A. Yes.

13 Q. Okay. And is it fair that in 2016 you
14 entered into sort of an XRP unit bonus award or a
16:06:17 15 grant? I think we talked -- touched upon it
16 earlier briefly.

17 A. I -- I -- I -- nothing in this document
18 references that.

19 Q. Separate from that document. You can
16:06:31 20 forget that one.

21 Is it fair that at some point later in
22 time, you entered into an agreement with Ripple
23 whereby if you met certain metrics, you would get
24 XRP that vested over a four-year term?

16:06:43 25 A. I -- I recall the macro construct. When

16:06:46 1 I was promoted to CEO, I received -- actually, to
2 be honest, I don't know exactly when I received
3 that, but, yes, I received a XRP grant.

4 Q. Who negotiated that?

16:06:58 5 A. No one.

6 Q. It was just given to you by someone?

7 A. That's correct.

8 Q. By whom?

9 A. Chris Larsen.

16:07:04 10 Q. You did not negotiate it with him?

11 A. No.

12 Q. Did you discuss it with him before he
13 gave it to you?

14 A. No.

16:07:12 15 Q. Did you discuss it with him at any time?

16 A. Yes.

17 Q. And what did you discuss with him about
18 this grant?

19 A. Well, as the grant -- the implementation
16:07:28 20 of the grant became complicated for the company
21 because of how taxes are accrued, earned, and paid
22 by the company. And so we certainly had
23 conversations about how to mitigate those risks,
24 challenges, to the company.

16:07:52 25 Q. What do you mean when you say it "became

16:07:54 1 complicated for the company"?

2 A. It became complicated for the company
3 because the dollars involved became large.

4 Q. Okay. So it became complicated for the
16:08:09 5 company how it would pay taxes on these grants?

6 A. That's correct.

7 Q. Where it would get the dollars to pay
8 the taxes?

9 A. Yes.

16:08:18 10 Q. Okay. At any point in time, did the IRS
11 accept XRP to pay taxes, to pay your taxes?

12 A. Not to my knowledge.

13 Q. Okay. So the macro level of the grant,
14 it vested over four years, is that right?

16:08:35 15 A. Yes. My recollection, top of mind, is
16 that the vesting construct was more complicated
17 than that.

18 Q. What was the vesting construct?

19 A. I don't recall exactly.

16:08:45 20 Q. Okay. Did you have to meet a certain
21 metric of how long you'd been at the company?

22 A. Yes. My -- my recollection is part of
23 the vesting was a construct around time-based
24 vesting.

16:08:59 25 Q. Okay. And was the other part based

16:09:01 1 around volumetric -- a volume metric for XRP?

2 A. I -- I believe that is correct.

3 Q. Okay. And what about was there a part
4 of the vesting that had to do with a volume weight
16:09:13 5 average price for XRP?

6 A. You'd have to explain that a little. I
7 don't know. I don't know.

8 Q. Sitting here today you don't know?

9 A. No.

16:09:28 10 Q. Okay. Let's move on. Well -- yeah,
11 let's move on.

12 MR. TENREIRO: Let's look at
13 Exhibit 15, please.

14 (Whereupon, exhibit is received
16:09:54 15 and marked Garlinghouse Deposition
16 Exhibit 15 for identification.)

17 BY MR. TENREIRO:

18 Q. Here you go. Can you pass some of
19 those --

16:10:00 20 MR. SOLOMON: Can we go off the
21 record for 30 seconds --

22 MR. TENREIRO: Sure.

23 MR. SOLOMON: -- just 30 seconds?

24 MR. TENREIRO: Sure.

16:10:04 25 THE VIDEOGRAPHER: Going -- going

16:10:04 1 off the record at 4:11.
2 (Pause)
3 THE VIDEOGRAPHER: Okay. Back on
4 at 4:12.
16:11:01 5 BY MR. TENREIRO:
6 Q. All right. Can you please take a look
7 at the exhibit?
8 MR. TENREIRO: And, I think,
9 Matt, you have some of the copies that --
16:11:05 10 MR. SOLOMON: Oh, yeah.
11 MR. TENREIRO: -- that you can
12 pass down. Thank you.
13 MR. SOLOMON: Okay.
14 MR. TENREIRO: That one is for
16:11:07 15 Bridget.
16 THE WITNESS: She's got one.
17 MR. TENREIRO: She's got it?
18 THE WITNESS: Yeah.
19 MR. TENREIRO: There's more.
16:11:16 20 All right. Just for the record,
21 this is [REDACTED] 58119, a three-page
22 document.
23 THE WITNESS: Sorry?
24 MR. SOLOMON: I was just saying
16:11:27 25 give it back. Sorry.

16:11:34 1 BY MR. TENREIRO:

2 Q. Have you read it?

3 A. No.

4 Q. Okay.

16:12:49 5 A. Do you have an extra pen?

6 Q. Just if you mark that --

7 A. You can have it.

8 Q. Okay. It's better if you don't.

9 A. Oh.

16:13:01 10 MR. SOLOMON: Don't --

11 Q. It's better if you don't.

12 A. All right.

13 MR. SOLOMON: If you want to make

14 a check or a slash, that's fine. Don't

16:13:07 15 put words on it.

16 THE WITNESS: Sorry.

17 MR. SOLOMON: Whatever helps you

18 absorb it is okay.

19 THE WITNESS: All right.

16:13:15 20 (Pause)

21 A. Okay.

22 Q. Okay. Mr. Garlinghouse, from time to

23 time, is it fair to say that you provided, you

24 know, quotes for the press with respect to Ripple

16:14:22 25 and XRP such as what we see in this exhibit?

16:14:27 1 A. Yes.

2 Q. And, again, I think we discussed this
3 briefly, but from time to time you appeared on
4 television -- CNN, CNBC -- to talk about Ripple
16:14:35 5 and XRP, is that right?

6 A. Yes.

7 Q. And when you spoke publicly about Ripple
8 or XRP, you spoke truthfully, right?

9 A. Yes.

16:14:45 10 Q. You spoke -- and when you stated your
11 beliefs, you stated your true beliefs at the time,
12 is that correct?

13 A. Yes.

14 Q. Okay. Here you say "We have had a
16:14:55 15 significant rally in XRP prices," but is -- "but
16 it is reflective of a lot of work we have done to
17 make Ripple a very compelling solution."

18 Do you see that?

19 A. Yes.

16:15:06 20 Q. Okay. Is it fair to say that in April
21 of 2017, you expressed to your mark -- to the
22 market your view that part of the increase in
23 XRP's price was due to Ripple's efforts?

24 MR. SOLOMON: Objection; form.

16:15:21 25 A. At -- at various times, I would say,

16:15:23 1 particularly in 2017, I believed, in trying to
2 understand the market activity, that Ripple's
3 activity was being positively received.

4 Q. In trying to understand the market
16:15:46 5 activity with respect to XRP? Is that what you're
6 talking about?

7 A. Yep.

8 Q. Okay. And are you talking about in part
9 of the market activity with respect to XRP's
16:15:54 10 price?

11 A. In part.

12 Q. Okay. And at some point did your -- did
13 this belief change, the belief that in market
14 activity -- that Ripple's activity was being
16:16:11 15 positively receive -- received?

16 A. Yes.

17 Q. Was that after April 2018?

18 A. I -- I don't recall.

19 Q. Do you recall if it was before April
16:16:26 20 2018?

21 A. I don't recall.

22 Q. Okay. Do you recall what prompted the
23 change?

24 A. As time has gone by in my kind of six
16:16:37 25 and a half years of watching crypto markets more

16:16:41 1 attentively having joined Ripple, I'm not clear
2 what drives any digital asset, including XRP. And
3 as the article highlights, which I was going to
4 underline, you know, there's -- even
16:17:02 5 contemporaneously, obviously as evidenced by the
6 article, there's disagreement about what's driving
7 the XRP market.

8 Q. Okay. In the article they quote people
9 thinking there's manipulation?

16:17:20 10 A. Well, they quote people suggesting
11 that -- a number of different things. One of the
12 things I think there's somebody quoted -- I have
13 to go back and find it -- of saying there should
14 be a pump-and-dump.

16:17:32 15 Q. Right.
16 But your belief in April of 2017 was
17 that there was some relationship between price
18 activity and Ripple's own efforts, correct?

19 MR. SOLOMON: Objection.

16:17:43 20 A. Well, first of all, I think you just
21 said 2018 and this --

22 Q. 2017.

23 A. -- email is from 2017.

24 Q. 2017.

16:17:50 25 A. In -- in 2017 I think I had the

16:17:53 1 misunderstood belief that there was some
2 rationality to the crypto markets, of which I
3 still am not clear there is.

4 Q. And what I'd asked you earlier was at
16:18:03 5 what point did that belief change? I think you
6 said as time has gone by, you know, you're not
7 clear what drives any digital asset. But what I'm
8 trying to figure out is at what point did you go
9 from believing that there was a relationship
16:18:18 10 between Ripple's efforts and XRP's price and
11 discuss -- deciding that you just don't know
12 what's clear?

13 MR. SOLOMON: You're building
14 words into your question, too. I think if
16:18:27 15 you could just put the question to him
16 instead of the preamble and the windup
17 with your gloss, it would be -- I think
18 make for a clearer record.

19 BY MR. TENREIRO:

16:18:36 20 Q. At what point did you --

21 MR. SOLOMON: I don't think he
22 ever used the words "Ripple's efforts,"
23 for example. I'm not trying to be
24 difficult. But if you just ask him
16:18:47 25 questions about what he thought, he can

16:18:49 1 explain in his own words what he believed
2 to be the case at this point in time.

3 BY MR. TENREIRO:

4 Q. You -- you testified you believed in
16:18:53 5 2017, in trying to understand the market activity,
6 that Ripple's activity was being positively
7 received.

8 At what point in time did that
9 understanding change?

16:19:05 10 A. You asked that earlier. I think I
11 testified I don't know.

12 Q. Okay. Can you pinpoint it at all by
13 year?

14 A. No.

16:19:17 15 Q. Okay. The -- the article -- so you --
16 you provided this quote to [REDACTED], right?

17 A. I don't know.

18 Q. You were aware that this quote was
19 provided as it was told to you by [REDACTED]

16:19:32 20 [REDACTED]?

21 MR. SOLOMON: Objection.

22 A. I have no recollection.

23 Q. [REDACTED] says "I don't see any
24 glaring inaccuracy in the piece, but let me know
16:19:43 25 if you disagree."

16:19:44 1 Do you see that?

2 A. Yes.

3 Q. And you responded "I agree on all
4 points," right?

16:19:49 5 A. Yes.

6 Q. You did not disagree that there were no
7 glaring inaccuracies?

8 A. We can -- you know, I mean, as I read
9 the article today, I identify inaccuracies. We
16:20:03 10 can debate whether or not they're glaring. And
11 what I thought in 2017, I can't recall.

12 Q. Such as the consistent reference to
13 Ripple instead of XRP? Is that one of the
14 inaccuracies you would identify today?

16:20:16 15 A. That would be one example that, you
16 know, market participants, particularly in 2017,
17 had confusion around.

18 Q. In fact, the piece refers to "What's
19 Driving Ripple's Price to All-Time Highs,"
16:20:28 20 correct? That's the title?

21 A. That is the title, yes.

22 Q. And then it says, in the second
23 paragraph of the piece, "Ripple has surged more
24 than 1,000 percent."

16:20:42 25 Do you see that?

16:20:46 1 A. No.

2 Q. It says "The cryptocurrency that powers
3 the distributed Ripple Consensus Ledger, a
4 business-focused distributed ledger technology
16:20:55 5 platform developed by San Francisco start-up
6 Ripple, has surged more than 1,000 per over the
7 last 30 days."

8 A. Correct.

9 Q. Is that a reference to XRP?

16:21:03 10 A. I believe that's what the author
11 references, yes.

12 Q. On the second page, right before
13 "Growing Credibility," it says "As for the decline
14 in price that soon followed" -- "that soon
16:21:21 15 followed, analysts said this may have marked a
16 period of profit taking where long-term Ripple
17 holders sold and brought back at a lower price to
18 increase the return on their investment."

19 Do you see that?

16:21:32 20 A. Yes.

21 Q. And that reference to Ripple is a
22 reference to XRP?

23 A. I -- I believe that's correct.

24 Q. Would you agree that it was common in
16:21:40 25 2017 for market participants to refer to XRP and

16:21:46 1 Ripple interchangeably?

2 MR. SOLOMON: Objection; form.

3 A. I think in 2017 uneducated market
4 participants mistakenly conflated Ripple and XRP,
16:21:59 5 and Ripple worked hard to combat and clarify that.

6 Q. When did Ripple begin to work hard to
7 combat and clarify that?

8 A. I remember in my -- I mean, earlier than
9 2017.

16:22:13 10 Q. And why didn't you combat it in this
11 article, or did you?

12 MR. SOLOMON: Objection; form.

13 A. I don't recall.

14 Q. Okay. But you began combating that
16:22:25 15 before 2017 is your recollection?

16 A. I am very confident that from the
17 earliest days of Ripple, we sought to reduce, and
18 ideally eliminate, the confusion through many
19 media outlets.

16:22:44 20 Q. The confusion about equating Ripple and
21 XRP? Is that what you're talking about?

22 A. That's correct.

23 Q. And when you say early Ripple days, you
24 mean early when you joined, correct?

16:22:53 25 A. That's correct.

16:22:54 1 Q. And you said many --

2 A. Although, actually, my vague
3 recollection is, even before I arrived, that
4 employees had sought to clarify. One
16:23:03 5 manifestation of that would be CoinMarketCap,
6 which listed XRP as -- and used "Ripple" in the
7 name.

8 Q. Called them Ripples?

9 A. I don't believe CoinMarketCap called
16:23:17 10 them Ripples.

11 Q. Just called them Ripple?

12 A. I -- I don't recall. I remember
13 encouraging CoinMarketCap to clarify and correct
14 that.

16:23:25 15 Q. In 2017, at least with respect to this
16 article, do you recall if you engaged in that
17 effort to make that clarification?

18 A. I -- I don't recall as it relates to
19 this particular article. I'm certain that if we
16:23:38 20 looked at contemporaneous emails, we'd find scores
21 of emails fighting the good fight, trying to get
22 corrections, which, frankly, persist to some
23 degree today.

24 Q. That confusion persists today?

16:23:52 25 A. I think that there are some media

16:23:55 1 outlets which incorrectly will quote a price and
2 say Ripple when it's not a price of Ripple.

3 Q. Okay. So you -- you would say there's
4 probably scores of emails that reflect this --
16:24:17 5 these efforts?

6 A. I'm hazarding a guess, but, yeah.

7 Q. And would that be true after 2017? So
8 do you think Ripple engaged in scores of efforts
9 to correct the impression in the market or the
16:24:33 10 equation of Ripple and XRP? Do you think that's
11 true in 2018?

12 MR. SOLOMON: Objection to form.

13 Q. Let me start again.

14 Did Ripple in the year 2018 engage in
16:24:44 15 efforts to correct the impression in the market
16 equating Ripple and XRP?

17 A. Yes.

18 Q. Did Ripple engage in those efforts in
19 2019?

16:24:58 20 A. I suspect, yes.

21 Q. And did Ripple engage in those efforts
22 in 2020?

23 A. I believe so.

24 Q. To the extent that you -- I think you
16:25:07 25 said -- you said that this persists to some degree

16:25:21 1 today.

2 Do you have any view as to why this
3 persists today, equating Ripple and XRP?

4 A. Not of consequence. I think there's
16:25:38 5 probably some people who with malintent seek to
6 conflate and there's some that just don't take the
7 time to correct. Frankly, if I may, in our
8 conversation today, you have mistakenly used
9 Ripple instead of XRP on a couple of occasions.

16:25:56 10 Q. If I may, you have as well --

11 A. Right.

12 Q. -- in -- in some of your conversations.
13 We'll get to recordings, but you have as well in
14 the past, correct?

16:26:03 15 A. I try really, really hard not to.

16 Q. Okay. To the extent that there's
17 malintent by someone -- and I'm assuming you
18 weren't referring to me but --

19 A. No.

16:26:11 20 Q. -- to the extent you were -- to the
21 extent there's malintent by someone, you know,
22 conflating XRP and Ripple, why would that -- why
23 would that reflect malintent? To the extent
24 that's the motivation. I'm trying to understand.
16:26:23 25 How does it hurt Ripple if it's conflated?

16:26:30 1 A. I -- I don't want to speculate as to
2 what other people think because I don't know. I
3 think -- you know, one thing I think we have seen
4 consistently in the crypto markets is there are
16:26:39 5 people who put out misinformation intentionally.

6 Q. Just to sort of create chaos or -- I'm
7 just asking what you --

8 A. I think there was an announcement last
9 week that Walmart was accepting Litecoin -- or,
16:26:55 10 no, Amazon. I can't remember. Somebody. And it
11 looked like a press release from Amazon or
12 Walmart. And the price of Litecoin for, you know,
13 some period of hours went up a bunch. And then I
14 think Walmart or Amazon had to come out and
16:27:05 15 correct the record. It would be an example.

16 Q. So an example might be to manipulate the
17 price of a token?

18 A. I don't know.

19 Q. Okay. In the quote you say "It is
16:27:14 20 reflective of a lot of work we have done."

21 What work are you referring to?

22 A. I don't know.

23 Q. Okay.

24 MR. TENREIRO: Can I please have
16:27:35 25 16? Thanks. And 17. Sorry. You're

16:27:42 1 there.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 16 for identification.)

16:27:45 5 BY MR. TENREIRO:

6 Q. All right. Here's Exhibit 16.

7 A. Thank you.

8 Q. Yep.

9 So just so we're on the same page, the
16:27:56 10 prior exhibit, which was 15, was an article -- or
11 discussing an article on April 16th, 2017.
12 Exhibit 16 is an email from you to Mr. Larsen and
13 others on April 7th, 2017. The Bates stamp is
14 SEC- [REDACTED] RIPPLE 10806.

16:28:20 15 Please take a look.

16 MR. SOLOMON: Thank you.

17 (Pause)

18 BY MR. TENREIRO:

19 Q. Mr. Garlinghouse, when was the last time
16:30:21 20 you checked the price of XRP?

21 A. This morning.

22 Q. Okay. And how often do you check it?

23 A. I usually check it in the morning and
24 then, depending upon how busy I am, you know,
16:30:34 25 maybe once or twice during the day.

16:30:37 1 Q. Okay. Do you check it on an app?

2 A. No.

3 Q. How do you check it?

4 A. I typically use either CryptoCompare.com
16:30:46 5 or CoinMarketCap.

6 Q. All right. A website?

7 A. Those are both websites.

8 Q. They don't have an app?

9 A. I don't know.

16:30:54 10 Q. Okay. This email that I just showed you
11 refers to the "XRP rally" at the bottom.

12 Do you see that?

13 A. Yes.

14 Q. Okay. When we're talking about a rally
16:31:06 15 in -- in XRP, are we talking about an increase in
16 its price?

17 A. I think that's fair.

18 Q. You say "I don't usually address the
19 price of the digital asset XRP," and then you
16:31:21 20 feel compelled to share some of your thoughts, et
21 cetera.

22 Do you see that part? It's on the
23 second page.

24 A. I do.

16:31:26 25 Q. Okay. Again, just to ask, again, when

16:31:27 1 you were talking to Ripple's investors and other
2 advisors, you were speaking your true beliefs at
3 the time, correct?

4 A. Yes.

16:31:34 5 Q. Okay. You say "It's hard to pinpoint
6 what drives any market activity," but you wanted
7 to share some thoughts and then there's three
8 bullet points.

9 Do you see that?

16:31:46 10 A. Yes.

11 Q. One bullet point refers to bitcoin
12 capacity issues. Do you see that? And -- I'm
13 sorry. Yes or no?

14 A. Yes.

16:31:52 15 Q. Okay. And if you want to go back to the
16 prior CoinDesk article to refer to it, I think in
17 the CoinDesk article there's also a discussion
18 about, you know, bitcoin's capacity issues
19 potentially relating to the increase in XRP's
16:32:06 20 price.

21 Do you see that?

22 A. I saw that in the previous document, a
23 reference to that, and I see that here in this
24 document as well.

16:32:16 25 Q. Okay. Is it fair to say that around

16:32:18 1 April of 2017, you had the belief that if things
2 did not go well for bitcoin, that might be good
3 for XRP?

4 MR. SOLOMON: Objection.

16:32:30 5 A. I don't recall.

6 Q. Okay. And isn't that sort of what you
7 were expressing here, that people are realizing
8 that bitcoin has limitations as a solution for
9 transactions? That is one of the things that
16:32:41 10 might explain the XRP price rally?

11 MR. SOLOMON: Objection; form.

12 A. I -- I think that's a reasonable
13 interpretation of what's here. I think, yeah,
14 there won't be one digital asset to rule them all
16:32:53 15 and I think bitcoin can be successful and XRP can
16 be successful and serve different use cases.

17 Q. That's what you think today?

18 A. Yes, that is what I think today.

19 Q. Okay. Then you say "Investors may also
16:33:07 20 be connecting the dots that bank adoption of
21 Ripple's solution creates the opportunity for us
22 to deepen those customer relationships and
23 engagement by delivering on what" -- underlined --
24 "Project Xenon (our trial with [REDACTED] and 12 top
16:33:21 25 global banks) demonstrated. While we are still

16:33:25 1 early in our work here - we are confident that we
2 can lower liquidity costs for banks by leveraging
3 XRP as a liquidity solution."

4 Do you see all that?

16:33:34 5 A. Yes.

6 Q. Does that refresh your recollection as
7 to what work you were referring to in your
8 quote -- in your quote in the [REDACTED] article?

9 A. No.

16:33:43 10 Q. Okay. Do you have any reason to doubt
11 that the work you were referring to in the
12 [REDACTED] article quote is the same work you are
13 referring to in this email?

14 A. I don't recall.

16:33:51 15 Q. Okay. Is -- when you say "Investors may
16 also be connecting the dots," who are you
17 referring to? Investors in what?

18 A. I -- I presume I'm referring to
19 invest -- I mean, we can debate the use -- it's a
16:34:09 20 legal word, "investors," I think, versus
21 "speculators" of the crypto markets. So people
22 who are interested in the crypto markets are
23 speculating on various digital assets.

24 Q. Including XRP?

16:34:22 25 A. I -- I think XRP was one of the most

16:34:25 1 valuable digital assets at the time; if not number
2 two, number three. And, so, I think including
3 XRP.

4 Q. Are you talking about most valuable by
16:34:34 5 market cap or by price?

6 A. By market cap.

7 Q. Okay. And I -- I'm not interested in
8 any sort of legal use of the word "investor." I
9 think -- you said you have an MBA. So I want what
16:34:45 10 you understand as investor. That's all I care --
11 I care about.

12 So when you said "investors," I want to
13 know what -- who were you referring to? Investors
14 in what?

16:34:53 15 A. I don't know.

16 Q. Okay. One second.

17 MR. TENREIRO: Let's do -- do we
18 have 17 here? Let's do 17, which is an
19 email two days later.

16:35:17 20 (Whereupon, exhibit is received
21 and marked Garlinghouse Deposition
22 Exhibit 17 for identification.)

23 MR. TENREIRO: Here you go.

24 (Pause)

16:36:10 25 BY MR. TENREIRO:

16:37:41 1 Q. So, Mr. Garlinghouse, is it fair to say
2 that this email is an email to the board where you
3 include the prior email we just saw and then some
4 additional commentary on top?

16:37:51 5 A. Yes.

6 Q. All right. Here you're also discussing,
7 in part, "the dramatic spike in XRP price and
8 market activity." That's the third paragraph.

9 Do you see that?

16:38:04 10 A. Yes.

11 Q. You say "It's a game-changer for us on a
12 bunch of levels."

13 Do you see that?

14 A. Yes.

16:38:10 15 Q. Is "us" Ripple in that sentence?

16 A. I believe, yes.

17 Q. Okay. Then you say "On an operating
18 level, for XRP to serve the purpose of lowering
19 liquidity costs for payments, it needs deep
16:38:21 20 liquidity across fiat currency pairs. Speculative
21 and market trading volume builds that
22 liquidity - they are the catalyst to the XRP
23 flywheel. The recent rally has us moved that
24 flywheel into a much higher gear, which puts us in
16:38:36 25 a much stronger position to execute on other

16:38:38 1 projects that continues to fuel the flywheel."

2 Do you see all of that?

3 A. Yes.

4 Q. Okay. When you refer to "speculative
16:38:48 5 and market trading volume," are you talking about
6 speculative and market trading volume in XRP?

7 A. I believe so.

8 Q. Okay. And can you explain in your own
9 words why speculative and market trading volume in
16:39:05 10 XRP are the catalyst to the XRP flywheel?

11 A. Typically, the more liquidity you have
12 in a market, the tighter the spreads you would
13 have in that market. The tighter the spreads, the
14 more efficient the market. The more efficient the
16:39:23 15 market, the more demand for those payment flows.

16 THE REPORTER: Those payment?

17 THE WITNESS: Flows.

18 Q. And payment flows is something that
19 Ripple is in the business of generally?

16:39:37 20 A. Correct.

21 Q. Okay. And so to build that -- so you
22 said typically the more liquidity, the tighter the
23 spread, et cetera.

24 In other words, do you need speculative
16:39:55 25 and market trading volume in XRP to build the

16:39:58 1 liquidity that starts this process that you just
2 described?

3 A. That's what the email says, yes.

4 Q. Well, is that true?

16:40:10 5 A. I think it's a hypothesis that we have
6 seen generally play out in the crypto markets,
7 yes.

8 Q. And have you -- has Ripple come to no
9 longer believe in that hypothesis?

16:40:24 10 A. No.

11 Q. Okay. So is this -- to catalyze the
12 XRP -- the XRP flywheel, do you still need
13 speculative and market trading volume in XRP?

14 A. I think you need liquidity. Anything
16:40:41 15 that drives liquidity is going to be constructive
16 to what I'm calling a flywheel.

17 Q. Right.

18 And speculative interest in the asset
19 could drive liquidity?

16:40:53 20 A. Yeah, I think I'm saying that it has in
21 that particular time period.

22 Q. Today can it drive liquidity?

23 A. Yes.

24 Q. Okay. And have you had any -- have you
16:41:00 25 ever had an understanding different to that, that

16:41:06 1 speculative trading of an asset in XRP would not
2 drive its liquidity?

3 A. I can't think of an example.

4 Q. Okay. Throughout your time as CEO of
16:41:20 5 Ripple, you have understood that people were
6 buying XRP as an investment, is that right?

7 MR. SOLOMON: Objection; form.

8 Q. I'm not asking --

9 A. No.

16:41:30 10 Q. -- for legal conclusions. I'm asking
11 for, you know, just the word "investment" as an
12 English speaker.

13 A. Can you ask the question again, please?

14 Q. Yeah. Throughout your time as Ripple's
16:41:39 15 CEO, you understood, did you not, that some people
16 were buying XRP as an investment?

17 A. I -- I -- I don't want to speculate as
18 to why people are buying XRP.

19 Q. Well, no. No need to speculate.

16:41:53 20 Did people tell you on Twitter, in
21 personal -- in emails that, in fact, they viewed
22 it as an investment throughout your time as CEO?

23 A. I -- I can't recall a -- I don't know
24 why people -- for me to draw a broad conclusion
16:42:11 25 about why people choose to trade XRP would be hard

16:42:18 1 to do.

2 Q. Right. Don't draw a broad conclusion
3 about all people. I'm just saying, did you
4 understand that some people were buying XRP as an
16:42:25 5 investment?

6 A. So the hypothet -- I mean, you're kind
7 of asking me a hypothetical. Is it possible that
8 someone out there on the planet that has chosen to
9 buy XRP has chosen to buy it as an investment? I
16:42:39 10 think the answer is yes. I -- I don't know why
11 individuals and haven't taken the time to try to
12 dissect why each person might choose to speculate
13 in XRP.

14 Q. The -- the XRP markets were important to
16:42:52 15 you as Ripple's CEO, to your job, right?

16 A. The liquidity in XRP markets is very
17 important to me.

18 Q. Right.

19 And -- and understanding what might
16:43:00 20 drive the liquidity was very important to you as
21 well?

22 A. Yes.

23 Q. How to get more liquidity was important
24 to you?

16:43:07 25 A. More liquidity was better than less

16:43:09 1 liquidity, for sure.

2 Q. Is it fair to say that throughout your
3 time as Ripple's CEO, you have made efforts to
4 understand the XRP market?

16:43:19 5 A. I have tried, yes.

6 Q. Okay. In connection with your work and
7 your efforts to understand the market, do you
8 understand that some participants in the market
9 for XRP are speculators in XRP's price?

16:43:33 10 A. I believe that's probably true, yes.

11 Q. Okay. Did you ever take any steps to
12 restrict people from speculating on the price of
13 XRP?

14 MR. CERESNEY: Objection.

16:43:48 15 A. I can't recall.

16 Q. Did you ever restrict people from buying
17 XRP as an investment?

18 MR. CERESNEY: Objection; form.

19 MR. SOLOMON: Did he -- his XRP?

16:44:01 20 Ripple's XRP?

21 MR. TENREIRO: Let's start with
22 Ripple's.

23 MR. SOLOMON: Okay.

24 THE WITNESS: Could you repeat

16:44:04 25 the question, then?

16:44:05 1 BY MR. TENREIRO:

2 Q. Did you ever take efforts to stop people
3 from buying XRP to speculate on its price?

4 MR. SOLOMON: Objection; form.

16:44:20 5 A. I don't recall.

6 Q. Did you ever take steps to restrict
7 people from buying Ripple's XRP as an investment?

8 MR. SOLOMON: Objection.

9 A. I don't recall.

16:44:34 10 Q. And did you ever take steps to restrict
11 people from buying your XRP as an investment?

12 A. I don't recall.

13 Q. In April of 2017, was XRP being used for
14 a payment flow?

16:44:56 15 A. I expect yes.

16 Q. How?

17 A. I -- I -- I mean, there's hundreds of
18 thousands, maybe millions, of people in the XRP
19 markets. And is there a likelihood that some of
16:45:12 20 those people were using XRP for payment flows? I
21 think the answer's almost certainly yes. I don't
22 necessarily know how. I think your question was
23 how were they using it for payment flows.

24 Q. No. Was it being used for payment
16:45:27 25 flows? That's all. Yes or no, was it being used?

16:45:29 1 A. I think I -- yes, I believe so.

2 Q. And with the hundreds of thousands,
3 maybe millions, of people in the XRP markets, was
4 it being used as an investment?

16:45:40 5 A. I -- I don't know of --

6 MR. SOLOMON: Objection; form.

7 It might be helpful to ask him what
8 "investment" means to him or to give him
9 your definition of "investment." I -- I

16:45:49 10 don't mean to interject.

11 Q. What does "investment" mean to you?

12 A. I mean, to me investment means, you
13 know, people choose to invest in pork bellies,
14 people choose to invest in oil, people choose to
16:46:06 15 invest in currencies. So in that context do I

16 think people are, quote, investing and speculating
17 around digital assets including XRP? Yes.

18 Q. So if I invest in pork bellies -- in
19 other words, is it fair to draw a distinction,

16:46:17 20 from your definition, investing in pork bellies is
21 different than buying a pork belly to eat it?

22 A. Yes.

23 Q. Okay. So with your definition of
24 "investment," did you understand when you were

16:46:31 25 Ripple's CEO that people in the market were

16:46:34 1 investing in XRP?

2 A. I -- I -- like I say, I don't know --
3 you're ask -- I don't know who those people are.
4 I mean, if you gave me -- you said earlier, like,
16:46:48 5 are people on Twitter? And I don't know if
6 they're speculating. I don't know if they're
7 investing. I don't know what they're doing.
8 And -- and maybe some are buying XRP to make
9 payments overseas or maybe they're -- I don't
16:47:00 10 know.

11 Q. Okay. Do you know if people were buying
12 XRP for payment flows in April of 2017?

13 A. I -- I don't know.

14 Q. Okay. Was Ripple selling XRP for
16:47:11 15 payment flows in 2017?

16 MR. CERESNEY: Objection; form.

17 A. I mean, I -- I think some of our
18 employees were accepting compensation in XRP at
19 that time. And so I suppose, by definition,
16:47:24 20 that's payment flows. And I'm aware of those,
21 but, you know, I don't know.

22 Q. So when you say "payment flows," that
23 includes paying someone, like, their compensation?

24 A. I think that's a payment, so, yes.

16:47:35 25 Q. Okay.

16:47:37 1 MR. TENREIRO: Let's do this 13
2 and then take a break. This will be a
3 short one.

4 MR. SOLOMON: Yeah. It's been
16:47:42 5 over an hour.

6 (Whereupon, exhibit is received
7 and marked Garlinghouse Deposition
8 Exhibit 13 for identification.)

9 MR. TENREIRO: So this is a
16:47:47 10 two-page email, RPLI_SEC 763477.

11 (Pause)

12 BY MR. TENREIRO:

13 Q. Okay. Who's [REDACTED]?

14 A. I don't know.

16:49:05 15 Q. Have you ever met him?

16 A. I don't believe so.

17 Q. Okay. Having read this email, is it
18 fair -- what is this email about, generally, other
19 than the colorful language?

16:49:17 20 A. I think [REDACTED] --

21 MR. SOLOMON: Is there anything
22 on this that's colorful language?

23 MR. TENREIRO: Well, he says,
24 "Hey, how about making it less difficult
16:49:22 25 to actually buy XRP you retards."

16:49:25 1 A. I mean, I don't know how seriously to
2 take an email that, you know, starts with a
3 subject line that says "Fuck you."

4 Q. Fair enough. But what is the email
16:49:34 5 about?

6 A. The email is about a gentleman who
7 claims to be named [REDACTED]. I have no
8 idea. It's a Gmail address. And he is expressing
9 his frustration and viewpoints on Yahoo and AOL
16:49:51 10 and what the Ripple website looks like and thinks
11 we need to pull our heads out of our ass to get
12 this shit on track.

13 Q. Why did you respond?

14 MR. SOLOMON: Great question.

16:50:02 15 A. It was 9:41 p.m. on March 22nd. I don't
16 know what day of the week that is. I'm guessing
17 it was late at night and I was on email and --

18 Q. It was Wednesday.

19 A. How do you know it's Wednesday?

16:50:11 20 Q. Because it says it.

21 A. Oh, sorry.

22 MR. SOLOMON: I hadn't seen that
23 too.

24 A. Sorry. Sorry. I don't know why I
16:50:20 25 replied.

16:50:20 1 Q. And he's telling you "Please, God, bring
2 the rain soon. Been waiting four years on Ripple
3 to hit."

4 Do you see that?

16:50:28 5 A. I did not see that one. Where is that
6 one?

7 Q. It's on number 3 of his bullets.

8 A. Yes, I see that.

9 Q. He's talking about XRP when he says
16:50:37 10 "four years on Ripple to hit," right?

11 A. I guess.

12 Q. Well --

13 A. I mean, as I said earlier, I think any
14 email with the subject line "Fuck you" and that I
16:50:49 15 signed off with "FURB" --

16 Q. Meaning?

17 A. Fuck you right back.

18 Q. Like the song?

19 A. You know, that's funny you say that
16:50:57 20 because I don't know -- I don't know that
21 reference, but I think -- I think that's right,
22 yeah.

23 Q. All right. So you responded to the
24 email and you said "I've been personally buying
16:51:05 25 XRP in January and February (and early in March).

16:51:09 1 You are not alone in your expectations."

2 What expectations are you talking about,
3 Mr. Garlinghouse?

4 A. I -- I don't want to put too much
16:51:16 5 credibility in an email that starts with "Fuck
6 you" that is from an anonymous person that I'm
7 replying with a little bit, obviously,
8 tongue-in-cheek. And so I don't know what my
9 assertions were.

16:51:30 10 Q. But, I mean, you have told me today
11 you're very busy sometimes. You don't read every
12 email. You responded to this email. So there
13 must have been some significance to you to the
14 email and you responded by saying "You are not
16:51:42 15 alone in your expectations."

16 What expectations are you talking about?

17 A. To -- I mean, to be fair, you're asking
18 about an email from four and a half years ago that
19 is, again, the subject line "Fuck you" and you're
16:51:52 20 asking me what expectations I had. I have no
21 idea.

22 Q. Okay. Did you in March of 2017 have
23 expectations that Ripple might hit?

24 A. I -- I -- I have no idea.

16:52:07 25 Q. Were you in March of 2017 treating

16:52:11 1 whatever holdings of XRP you had as an investment?

2 MR. CERESNEY: Objection to form.

3 A. I guess in my layperson's expectations,
4 you know, I was holding XRP. Does that mean it's
16:52:29 5 an investment? I -- you know, I can debate the
6 meaning of that. But, you know, again, I don't
7 know what my expectations are. I'm not -- I don't
8 think putting a lot of weight in an email with the
9 subject line "Fuck you" is something -- again,
16:52:43 10 it's late at night. Who knows? Maybe it's a
11 Wednesday night I'd had three drinks at dinner and
12 I decided to speak kind of funny to engage this
13 guy.

14 Q. Did you in March of 2017 hope that the
16:52:53 15 price of XRP that you held went up?

16 A. Well, I think I've -- and I've said to
17 the SEC from, I think, the first meeting I had
18 with the SEC, I won't pretend not to be a
19 capitalist. And if you own something, then you
16:53:05 20 wanted the value of that to increase.

21 Q. Okay.

22 MR. TENREIRO: Let's go off the
23 record for a break.

24 THE VIDEOGRAPHER: Going off the
16:53:10 25 record, 4:54.

16:53:13 1 (Whereupon, a recess is taken.)

2 THE VIDEOGRAPHER: Okay. Back on
3 the record, 5:16.

4 BY MR. TENREIRO:

17:14:56 5 Q. Okay. Mr. Garlinghouse, I think earlier
6 today you said -- and you just correct me -- that
7 [REDACTED] owned XRP.

8 A. I think that was my testimony, yes.

9 Q. Okay. Did you have an understanding as
17:15:09 10 to whether he was investing in XRP?

11 A. No.

12 Q. Did you discuss with him why he was
13 buying XRP?

14 A. He didn't buy XRP.

17:15:19 15 Q. Then how did he get it?

16 A. Predating my arrival at Ripple, he
17 participated in one of the XRP giveaways is my
18 understanding.

19 Q. Did you discuss with him why he was
17:15:29 20 holding it?

21 A. I think he asked me -- and this is, I
22 think, before I had started at Ripple. And he
23 asked me what I thought he should do with it. And
24 I think I said "I would just hold on to it."

17:15:44 25 Q. Why? Why did you say that?

17:15:46 1 A. I'm not sure I knew what XRP really was
2 before I started at Ripple. I'm not sure I had
3 any perspective other than -- I didn't know how
4 much XRP he got through giveaways.

17:15:55 5 Q. Well, then, why did you tell him to hold
6 it? I guess is the question.

7 A. Okay. His options were what? To hold
8 it or sell it? I don't know how many he had. I
9 don't know what it was worth. I know enough about

17:16:10 10 [REDACTED]'s financial picture that it wasn't
11 material one way or another.

12 Q. You do know enough about his financial
13 picture?

14 A. I do know enough about -- enough about
17:16:18 15 his financial picture that I would be surprised if
16 whatever the giveaway he participated in would
17 have been material.

18 Q. Okay. So his option was to hold it or
19 sell it at the time?

17:16:30 20 A. I think that's right. I can't think of
21 anything else.

22 Q. Okay.

23 MR. TENREIRO: Let's look at
24 Exhibit 18, please. I think I have it
17:16:41 25 here.

17:16:41 1 Okay. Thanks. I have it, Mark.

2 I have it.

3 (Whereupon, exhibit is received

4 and marked Garlinghouse Deposition

17:16:53 5 Exhibit 18 for identification.)

6 BY MR. TENREIRO:

7 Q. And, you know, we -- as I pass you

8 these, we've looked at 15 and 16 -- sorry.

9 Maybe -- sorry. We looked at 16 and 17. I think

17:17:04 10 those were April 2017 emails.

11 Exhibit 18 is May 1st, 2017, one page,

12 SEC-████-RIPPLE -- actually, two pages -- 10934.

13 Please take a moment to look at it.

14 (Pause)

17:18:54 15 Q. Okay. Mr. Garlinghouse, do you see the

16 reference in this email in the fourth full

17 paragraph to how XRP was hovering around a nickel

18 and it was up over 800 percent from where it began

19 the year? Do you see that?

17:19:05 20 A. Yes.

21 Q. Then it says "Interest in XRP is

22 continuing to grow and we've only just begun our

23 focused efforts to build its liquidity."

24 Do you see that?

17:19:15 25 A. Yes.

17:19:16 1 Q. Then you say "To this end, we recently
2 released our Q1 2017 Markets Report, an important
3 way that we demonstrate our commitment to the XRP
4 ecosystem and continually improve the health of
17:19:26 5 XRP markets globally."

6 Do you see that?

7 A. Yes.

8 Q. Is that a true statement, that the
9 Markets Report was a way for Ripple to demonstrate
17:19:36 10 its commitment to the XRP ecosystem?

11 A. I think, as I testified earlier today,
12 that the Markets Report has been a way to improve
13 transparency, understanding, and I think as we
14 start every Markets Report, kind of a call to
17:19:58 15 action for everybody in the industry to improve
16 transparency. I think we have consistently
17 indicated our desire to improve and increase the
18 liquidity in the XRP market. That's good for
19 Ripple's strategy as well as anyone who's
17:20:14 20 participating in the XRP market.

21 Q. But when you say demon -- is it true
22 that the Markets Reports are a way for Ripple to
23 demonstrate its commitment to the XRP ecosystem?
24 Is that true?

17:20:28 25 A. I -- I mean, I'm reading what is there.

17:20:29 1 I don't recall writing this. I -- I think, as --
2 well, I don't know what I thought when I wrote --
3 when this was written.

4 Q. Sitting here today, is one of the
17:20:37 5 purposes of the Market Report to demonstrate
6 Ripple's commitment to the XRP ecosystem?

7 A. Sitting here today, as I just testified,
8 I would say the Markets Report is to drive
9 transparency of and clarity of information around
17:20:54 10 the XRP markets. As I sit here today, is it -- is
11 it a demonstration of a commitment? It is one
12 of -- one of many ways that we seek to make the
13 XRP markets robust, healthy, transparent. All of
14 the above.

17:21:11 15 Q. And that is true today as well, up
16 through today?

17 A. I think that's fair.

18 Q. Okay. Later you talk about "connecting
19 the dots" again. "The big takeaway with the
17:21:23 20 market is clearly connecting the dots that banks
21 which join the Ripple network today are
22 prospective users of XRP liquidity in the future."

23 Do you see that?

24 A. I do see that.

17:21:31 25 Q. Okay. So is it fair to say that in May,

17:21:34 1 just like in April, your view was that the XRP
2 price rally in part could be derived from
3 participants in the market responding to efforts
4 that Ripple had made?

17:21:48 5 MR. SOLOMON: Objection; form.

6 A. I -- I think -- as I testified earlier,
7 I think in parts of 2017 in my tenure at Ripple, I
8 believed that Ripple's activities may have an
9 impact on the XRP market. I'm less convinced of
17:22:13 10 that as I sit here today.

11 Q. Understood.

12 And is it fair to say that in 2017 one
13 of your specific goals at Ripple was to increase
14 speculation in the market for XRP?

17:22:22 15 MR. SOLOMON: Objection; form.

16 Q. You can look --

17 A. Are you taking that from this email --
18 (Indiscernible cross talk;
19 reporter requests one speaker.)

17:22:30 20 Q. You are welcome to look at the email.
21 My question is -- set aside the email -- is it
22 true that in 2017, one of your goals was to
23 increase speculation in the market for XRP?

24 MR. SOLOMON: Objection; form.

17:22:47 25 A. I would say sitting here today, my

17:22:49 1 recollection of 2017 priorities was to increase
2 liquidity in the XRP markets and in whatever ways
3 that could take. To the extent that was through
4 speculation, I think that would drive liquidity.

17:23:02 5 So I think that's yes.

6 Q. All right. And just so that we're on
7 the same page, when we talk about speculation with
8 respect to the market for an asset, what -- what
9 are you -- what do you mean when you say

17:23:12 10 "speculation"?

11 A. Well, I think people speculate on the
12 price of something. And, you know, I think I used
13 the example earlier today that the price of XRP
14 might be, using this time period, four and a half
17:23:33 15 cents on one exchange and five cents on another
16 exchange and people are speculating and trading
17 that arb and seek -- seeking a -- a return.

18 Q. So what you just referred to as "arb,"
19 do you mean arbitrage?

17:23:47 20 A. Correct.

21 Q. Okay. And does speculating include
22 speculating on price movements? For example, I
23 could speculate that it might go down; I could
24 speculate that it might go up?

17:23:57 25 MR. SOLOMON: Objection; form.

17:23:58 1 A. I think speculators speculate.

2 Q. Speculate --

3 A. So, yes. Some people speculate it's
4 going to go up; some people speculate it's going
17:24:06 5 to go down. That's what makes the market.

6 Q. Right.

7 And so isn't it fair to say there's a
8 distinction between speculating on the asset and
9 using the asset, such as in your pork belly
17:24:18 10 example?

11 MR. SOLOMON: Objection; form.

12 A. I was making the point that people
13 speculate on the price of pork bellies.

14 Q. Right.

17:24:27 15 A. I think -- so can you repeat the
16 question, please?

17 Q. When you -- when you -- this is not a
18 legal question or anything like that. This is a
19 question of you as a businessman.

17:24:35 20 When you say the word "speculating," is
21 there a distinction in your mind between someone
22 who speculates on price movements or price
23 arbitrage and someone who acquires the asset to
24 use it? So to, like, eat the pork bellies in the
17:24:50 25 example you gave.

17:24:52 1 A. So at the beginning of that question you
2 said this isn't a legal thing. It's hard for
3 me -- I mean, this is a legal experience, right?
4 I'm testifying in a legal -- and I'm being asked
17:25:03 5 to give things that will be used as legal. So I
6 don't know exactly what to do with that first
7 comment. I think it's important that we, as much
8 as possible, have a shared understanding of some
9 of these words.

17:25:13 10 MR. SOLOMON: Tell him you don't
11 understand. Ask him to rephrase it. If
12 you can't answer the question, then don't
13 answer the question. You have to
14 understand the question to answer the
17:25:20 15 question.

16 THE WITNESS: Okay.

17 A. Can you repeat the question?

18 Q. Yeah. As a businessman, when you use
19 the word "speculating," does that include -- if
17:25:26 20 you say that someone is speculating on an asset,
21 does that include someone who is using the asset?

22 MR. SOLOMON: You're asking him
23 today, on September 20, 2021, when he uses
24 the word "speculate," what does he mean by
17:25:38 25 that?

17:25:39 1 MR. TENREIRO: Yes.

2 MR. SOLOMON: Or in prior
3 emails or --

4 MR. TENREIRO: Today.

17:25:42 5 A. I think if someone goes to the grocery
6 store and buys bacon, they're not speculating on
7 the price of pork bellies.

8 Q. Okay. And has your understanding of
9 speculating as a businessman changed over time?

17:25:59 10 A. I don't know that it's changed over
11 time. I think I have learned, frankly, as it
12 relates to the SEC's investigation and litigation,
13 that there are nuances in how some of these words
14 are used which can be consequential.

17:26:16 15 Q. Consequential for whether something is
16 deemed to be a security?

17 MR. CERESNEY: Objection; form.

18 A. Consequential to legal interpretations.

19 Q. When did you learn that?

17:26:28 20 A. During the course of this, what started
21 as, I think, an inquiry into an investigation,
22 into a litigation.

23 Q. Can you pinpoint more precisely in time
24 when you learned this?

17:26:41 25 A. I -- I don't have any specific rec --

17:26:42 1 recollection.

2 Q. Okay. Let's take a look at Exhibit 87,
3 please. This is just a one-page document.

4 (Whereupon, exhibit is received

17:26:54 5 and marked Garlinghouse Deposition

6 Exhibit 87 for identification.)

7 MR. TENREIRO: Here we go.

8 (Pause)

9 BY MR. TENREIRO:

17:27:34 10 Q. Okay. What is this email?

11 A. This is an email from Monica Long to me
12 on March 26th to set an agenda for our one-on-one
13 meeting.

14 Q. How often did you have one-on-one

17:27:46 15 meetings with her?

16 A. Typically weekly.

17 Q. Okay. And she says "For discussion,"
18 and she has several bullets -- three bullets and
19 then some sub bullets.

17:27:54 20 Do you see that?

21 A. Yes.

22 Q. She says "XRP marketing - lessons thus
23 far from Ethereum - plus initial thoughts on a
24 plan."

17:28:03 25 Do you see that?

17:28:04 1 A. I do.

2 Q. What plan did you have with respect to
3 XRP marketing?

4 A. I don't recall.

17:28:10 5 Q. To the extent Ripple engaged in XRP
6 marketing, what was the purpose of marketing XRP?

7 A. I don't recall.

8 Q. Okay. What other participants in the
9 XRP ecosystem, sitting here today, do you know
17:28:22 10 that market XRP?

11 A. In 2021?

12 Q. Yeah.

13 A. Well, I think there are companies in
14 2021 that use XRP and, by extension, market XRP, I
17:28:44 15 suppose.

16 Q. So I'm asking you what companies market
17 XRP, like the term "marketing."

18 Is the term "marketing" here referring
19 to sort of ad efforts or publicity experts?

17:28:59 20 MR. SOLOMON: Objection; calls
21 for speculation.

22 Q. To the extent you were talking to
23 Ms. Long.

24 A. I don't know.

17:29:04 25 Q. Okay. What companies, sitting here

17:29:06 1 today, engaged in efforts to publicit -- to
2 make -- to create publicity for XRP?

3 A. I mean, I think, you know, during the
4 course of, you know, the expansion of participants
17:29:23 5 in the XRP market, there's people doing, I mean, a
6 host of things. When I say they're marketing XRP,
7 I -- I don't know. There's certainly a number of
8 companies that use and build on top of the XRP
9 Ledger. Are they, like, using the XRP Ledger and
17:29:51 10 deriving usage of the XRP Ledger? Are they
11 marketing XRP? I don't know.

12 Q. I was asking for publicity efforts now,
13 but --

14 A. Oh. Sorry.

17:30:01 15 Could you repeat the question then that
16 you are asking me to answer?

17 Q. Sure.

18 What companies, sitting here today, are
19 you aware of engaged in publicity efforts for XRP?

17:30:12 20 A. I don't know.

21 Q. What companies were engaged with
22 publicity efforts with respect to XRP in 2017
23 around the time of this email?

24 A. I don't know.

17:30:19 25 Q. Does Ripple have engineers in its

17:30:21 1 employ? Computer scientists?

2 A. Yes.

3 MR. SOLOMON: Objection; form.

4 Q. How many?

17:30:30 5 A. How many engineers did we have in 2017
6 or today?

7 Q. Let's start with 2017.

8 A. I would guess 60 to 70.

9 Q. How many employees did Ripple have in
17:30:44 10 total around that time?

11 A. You know, 150 to 200.

12 Q. So about a third of the workforce was
13 the computer scientists?

14 A. Usually it's a little higher percentage
17:30:54 15 than that.

16 Q. What percentage is it today, roughly?

17 A. I hope it's over [REDACTED]

18 Q. Why do you hope?

19 A. I think, as a technology centric
17:31:06 20 company, having a talented group of engineers is
21 foundational to success.

22 Q. How so?

23 A. If you're seeking to build technology
24 products, if you don't have people doing the
17:31:23 25 coding, you're not going to get very far.

17:31:27 1 Q. Is it fair to say that over the course
2 of the time you've been at Ripple, Ripple
3 engineers have worked on the code for the XRP
4 Ledger?

17:31:41 5 MR. SOLOMON: Objection; form.

6 A. Can you repeat the question?

7 Q. Is it fair to say that over the course
8 of the time you've been at Ripple, Ripple
9 engineers have worked on the code for the XRP --
17:31:50 10 the XRP Ledger?

11 MR. SOLOMON: Objection; form.

12 A. Yes.

13 Q. Have they improved it, made efforts to
14 improve it, like the speed of it, for example?

17:32:00 15 A. Yes.

16 Q. And is their work with respect to the
17 XRP Ledger important to Ripple?

18 MR. SOLOMON: Objection; form.

19 A. The efficiency of the XRP Ledger is
17:32:16 20 important to Ripple. For the employees at Ripple
21 who contribute open-source code -- code to the XRP
22 Ledger, those improvements are important. There's
23 obviously people outside of Ripple who contribute
24 open-source code to the XRP Ledger also and their
17:32:36 25 contributions are important also.

17:32:38 1 Q. And what -- what percentage -- how many
2 validator nodes are on the Ledger?

3 A. I think it depends a little on how you
4 define a validator node because there's some
17:32:51 5 validators that people don't pay attention to.
6 But, typically, I have referenced that there's
7 about 150 validators on the XRP Ledger that are of
8 consequence, let's say.

9 Q. Where did you get that information from?

17:33:11 10 A. Someone internal to Ripple. I'm not
11 sure who.

12 Q. 150 now, in 2017, or at what point?

13 A. I -- I don't know.

14 Q. Okay. When you reference 150
17:33:22 15 validators, how many of them were in China?

16 A. I don't know.

17 Q. How many of them were in the United
18 States?

19 A. I don't know.

17:33:34 20 Q. Do you know where any of the validators'
21 nodes are?

22 A. Yeah.

23 Q. Which ones? Ripple's?

24 A. No.

17:33:39 25 Q. Where are the ones you know?

17:33:44 1 A. I know there is one at a data center in
2 Tokyo. I know there's one at the University of
3 Kansas. I know there's one -- I -- you know, my
4 familiarity is they're distributed at various
17:33:59 5 companies and data centers that have an interest
6 in the XRP Ledger.

7 Q. Is it fair to say -- I won't computer
8 science quiz you, but fair to say that on the
9 Ripple Ledger, a node pays attention to
17:34:18 10 transactions confirmed by 80 percent --

11 THE REPORTER: I'm sorry. A
12 node?

13 MR. TENREIRO: A node.

14 Q. -- pays attention to transactions
17:34:19 15 confirmed by 80 percent of the nodes on that
16 node's trusted nodes list?

17 MR. SOLOMON: Objection; form.

18 A. I -- I think you asked the question --
19 if I could read it back and -- refer me. But you
17:34:30 20 referred to it as a "Ripple Ledger" and I don't
21 know what that is.

22 Q. The XRP Ledger.

23 A. Would you repeat the question, then?

24 Q. Is it fair to say that on the XRP
17:34:38 25 Ledger, a node pays attention to transactions

17:34:41 1 confirmed by 80 percent of the nodes on that
2 node's trusted nodes list or UNL?

3 A. I think that's fair.

4 Q. Okay. So you said there were about 150
17:34:54 5 nodes that matter, quote/unquote?

6 A. I think that was my testimony, yes.

7 Q. Okay. Quickly doing some math, times 5,
8 750. Okay.

9 So if I -- what's to stop China from
17:35:08 10 putting 600 nodes on the XRP Ledger such that it
11 would gain control over 80 percent of the now
12 resulting 750 nodes?

13 MR. SOLOMON: Objection; form.

14 A. I mean, David Schwartz would be a better
17:35:21 15 person to ask some of these questions. But it
16 depends upon which nodes the other nodes are
17 listening to.

18 Q. Okay. So if China added 600 nodes to
19 the XRP Ledger, could it not gain control over the
17:35:33 20 XRP Ledger?

21 A. If all -- if the other nodes listened to
22 those 600, then, hypothetically, yes.

23 Q. Is there anything to stop those other
24 nodes from listening to the 600?

17:35:48 25 A. Yes.

17:35:48 1 Q. What is?

2 A. What other nodes those nodes choose to
3 listen to.

4 Q. Well, I'm sorry. What stops one node
17:35:57 5 from deciding to listen to the new 600 nodes in my
6 hypothetical?

7 A. Whoever is managing that node and what
8 other nodes they choose to listen to.

9 Q. So, in other words, people can talk to
17:36:10 10 each other about what nodes they listen to?

11 A. I -- I -- I don't know how that happens.

12 Q. Okay. Other than the individual -- each
13 individual node selects a list of nodes they
14 listen to, is that right?

17:36:25 15 MR. SOLOMON: Objection; form.

16 A. I mean, my macro response is I'm not the
17 best person to ask these questions of.

18 Q. Do -- sitting here today, do you have an
19 understanding as to whether or not China could
17:36:35 20 take control over the XRP Ledger?

21 A. I feel like I have an understanding that
22 I trust a number of very talented engineers, both
23 inside and outside the company, that would tell
24 you that's not possible.

17:36:48 25 Q. Okay. When you were engaged -- when

17:36:53 1 Ripple was talking to potential Series C
2 investors, was there a question about whether
3 there were nodes in the XRP Ledgers in Iran?

4 A. I don't recall.

17:37:05 5 Q. Are there XRP Ledger nodes in Iran?

6 A. I don't know.

7 Q. Okay. Is there anything that could stop
8 the Iranian government from putting nodes on the
9 XRP Ledger?

17:37:16 10 A. Not that I'm aware of.

11 Q. Okay. You've talked publicly about how
12 China could potentially control the bitcoin
13 blockchain, right?

14 A. Yes.

17:37:25 15 Q. Okay. So what is that understanding
16 based on?

17 A. Articles I read.

18 Q. Where?

19 A. On the internet.

17:37:37 20 Q. Anywhere else? Well, articles in
21 magazines or just the internet?

22 A. I don't really read magazines anymore.
23 Just the internet.

24 Q. All right. Anything else other than
17:37:48 25 articles?

17:37:50 1 A. People I trust and respect who are
2 well-versed in the technology of the bitcoin
3 blockchain and understand 51 percent attacks.

4 Q. Such as whom?

17:37:59 5 A. David Schwartz.

6 Q. And has he told you about whether -- in
7 connection with these conversations, has he told
8 you about any risk that China could take over the
9 XRP blockchain?

17:38:12 10 A. No.

11 Q. Have you discussed that with him either
12 way?

13 A. I don't recall.

14 Q. Well, when you were discussing sort of
17:38:18 15 the potential of China to take over the bitcoin
16 blockchain, did you say to him, "Hey, could that
17 happen in the XRP blockchain"?

18 MR. SOLOMON: Objection; asked
19 and answered.

17:38:29 20 Q. Ripple has an interest in the XRP
21 blockchain, generally speaking. Is that fair?

22 THE REPORTER: Repeat.

23 Q. Ripple has an interest in the XRP
24 blockchain. Is that fair?

17:38:33 25 MR. CERESNEY: Objection; form.

17:38:36 1 A. Ripple has an interest in the XRP
2 Ledger, yes.

3 Q. Okay. And to the extent that you
4 discussed the China issue with respect to the
17:38:45 5 bitcoin blockchain with Mr. Schwartz, did you not,
6 as the CEO of Ripple, ask him Is that a risk that
7 the XRP Ledger faces?

8 MR. SOLOMON: Objection; asked
9 and answered, form.

17:38:59 10 A. The -- what commonly is referred to as a
11 51 percent attack is a output of being proof of
12 work-based. The XRP Ledger doesn't use proof of
13 work. There have been successful 51 percent
14 attacks on proof of work-based blockchains like
17:39:16 15 the Ethereum Classic blockchain. There have not
16 been successful attacks, to my knowledge, on what
17 we commonly refer to as the consensus mechanism to
18 validate transactions which other blockchains use.

19 Q. Well, have there been forks on that
17:39:36 20 blockchain?

21 THE REPORTER: Have there been?

22 MR. TENREIRO: Forks, F-O-R-K.

23 MR. SOLOMON: I'm sorry, on which
24 blockchain?

17:39:40 25 MR. TENREIRO: XRP blockchain.

17:39:41 1 XRP Ledger.

2 A. How do you define "fork"?

3 Q. However you define -- do you understand
4 a fork on a distributed ledger?

17:39:48 5 A. You asked me a question and I want to
6 make sure I answer it and you used the word
7 "fork." I'm just asking how you're using the word
8 "fork" to make sure I get it right.

9 Q. Let's start again.

17:39:55 10 Do you understand if someone speaks of a
11 fork on a distributed ledger what that means?

12 A. I believe I do, yes.

13 Q. What does it mean to you?

14 A. As an example, the bitcoin blockchain
17:40:05 15 has forked a number of times. And so that it
16 takes all previous transactions and then there's a
17 new fork that carries those transactions forward.

18 Q. Has that occurred on the XRP Ledger?

19 A. Not to my knowledge.

17:40:19 20 Q. Okay. Back to the email, is it fair to
21 say that one of the Q2 priorities for 2017 was
22 drive XRP speculation?

23 A. I see in Monica Long's agenda that she
24 wants to talk about her future priorities and she
17:40:34 25 has listed a sub bullet called "drive XRP

17:40:37 1 speculation."

2 Q. And did you discuss it with her?

3 A. I don't know.

4 Q. Did you tell her -- did she implement
17:40:43 5 this agenda?

6 A. I don't know.

7 Q. All right.

8 MR. SOLOMON: Do you want to take
9 a 30-second break? Short break. Just 30
17:40:51 10 seconds off the record.

11 MR. TENREIRO: Sure.

12 THE VIDEOGRAPHER: Okay. Going
13 off the record at 5:42.

14 (Pause)

17:51:52 15 THE VIDEOGRAPHER: Okay. Back on
16 the record, 5:53.

17 BY MR. TENREIRO:

18 Q. Mr. Garlinghouse, did there come a time
19 when you asked some of your PR people to help you
17:52:02 20 identify likes on your tweets that you went back
21 and removed?

22 A. I believe, yes.

23 Q. And why did you do that?

24 A. When I got hacked in 2017, a number of
17:52:16 25 other people got hacked at the same time that were

17:52:21 1 connected to me in one way or another. And it was
2 my hypothesis, belief, and I believe to be the
3 case, that the hackers went after people who were
4 associated with me, particularly as they had
17:52:35 5 seemed to discover via Twitter.

6 Q. So your testimony is that the unliking
7 of likes was because of the hack?

8 A. My recollection is that I went through
9 the trouble of deleting all Twitter posts that I
17:52:54 10 had posted prior to joining Ripple and, you know,
11 cleaned up my Twitter account to reduce -- to
12 remove any personal information or just things
13 that a bad actor might be able to take advantage
14 of.

17:53:14 15 Q. Separate from that, did you go back to
16 unlike likes that you had made on Twitter?

17 A. Not that I recall.

18 Q. All right. Let's take a look at Exhibit
19 36. No, 35. Sorry.

17:53:34 20 (Whereupon, exhibit is received
21 and marked Garlinghouse Deposition
22 Exhibit 35 for identification.)

23 BY MR. TENREIRO:

24 Q. And this appears to be a series of
17:53:39 25 texts, GARL_Civil_ 982. It's mostly images, but

17:53:48 1 take a look.

2 (Pause)

3 Q. All right. Do you see your phone number
4 in this exhibit?

17:55:39 5 A. Yes.

6 Q. Okay. Fair to say it appears to be a
7 series of texts between you and [REDACTED]?

8 A. Yes.

9 Q. And the date on the first -- on the
17:55:46 10 first page says "Saturday, 13 January 2018."

11 Do you see that?

12 A. Yes.

13 Q. Okay. Here you say "Can your team go
14 through these and LMK if I've 'liked' anything
17:56:00 15 that is XRP price related?"

16 And then, in the following message, you
17 link her to your likes, is that correct?

18 A. I believe that is correct.

19 Q. "LMK" means let me know, right?

17:56:10 20 A. Yes.

21 Q. Okay. Why did you ask her to go look to
22 see if you had liked anything XRP price related?

23 A. I don't know.

24 Q. Okay. And then the next series of pages
17:56:19 25 are several tweets that you had liked. And you

17:56:26 1 say on the page that has 990 at the bottom,

2 "Okay - have cleaned up the 'likes.'

3 Do you see that?

4 A. I -- I see the text you're seeking --

17:56:41 5 "Okay, I cleaned up the likes." I don't actually

6 have the -- from what is here, I'm interpreting

7 that these are tweets that I may have liked.

8 That's not obvious to me from what is in front of

9 me. And since I don't recall, I don't know that

17:56:57 10 to be the case.

11 Q. Well, we can take a look at them.

12 MR. TENREIRO: Let's look at 36,

13 for example.

14 A. Okay.

17:57:06 15 (Whereupon, exhibit is received

16 and marked Garlinghouse Deposition

17 Exhibit 36 for identification.)

18 MS. BUNTING: What exhibit is

19 this?

17:57:28 20 MR. TENREIRO: 36.

21 MS. BUNTING: 36. Thank you.

22 BY MR. TENREIRO:

23 Q. This appears to be a tweet that you made

24 on October 17th about Ben Bernanke.

17:57:34 25 And then a response that says "Shitting

17:57:36 1 on Bitcoin will not increase the price of XRP.
2 Don't forget that most of us, investing in both
3 XRP and BTC."

4 Do you see that?

17:57:44 5 A. Yes.

6 Q. Okay. So have you liked the "Shitting
7 on bitcoin" tweets at some point and then removed
8 the like?

9 A. I don't know.

17:57:53 10 Q. Okay. Why were you removing likes from
11 anything XRP price related?

12 A. I don't know.

13 Q. Was there a -- I think we just saw some
14 emails earlier today to the board and to investors
17:58:04 15 where you were talking about the increase in the
16 price of XRP. Is that fair? If you need to go
17 back to them, go ahead.

18 A. Can you repeat the question?

19 Q. In -- we just saw today emails from
17:58:16 20 2017 -- I think we saw April; I think we saw
21 May -- where you were discussing the increases in
22 the price of XRP, XRP rally, et cetera, is that
23 correct?

24 A. Yes.

17:58:26 25 Q. You were discussing the price of XRP in

17:58:28 1 those communications, correct?

2 A. Yes.

3 Q. Including to holders of XRP, is that
4 correct?

17:58:36 5 MR. SOLOMON: Objection; form.

6 A. I don't know -- I mean, when you say
7 "holders of XRP," I mean, you earlier pointed out
8 that there are -- people on the board received
9 those communications. And some of those people on
17:58:49 10 the board held XRP. So, I guess, yes.

11 Q. And some of Ripple's shareholders also
12 held XRP, correct?

13 A. I don't know.

14 Q. You -- have you ever come to know
17:58:57 15 whether XRP -- whether Ripple's shareholders were
16 also holders of XRP?

17 A. I mean, of the 200 shareholders, do some
18 of them hold XRP? I think that's probably yes. I
19 don't -- I mean, I can think of -- well, Chris
17:59:13 20 Larsen would be an example of yes.

21 Q. [REDACTED]?

22 A. I don't know if [REDACTED] still holds XRP.

23 Q. Back in 2017?

24 A. I don't know when they liquidated their
17:59:26 25 XRP.

17:59:28 1 Q. [REDACTED]?

2 A. I -- I -- I don't personally know what
3 [REDACTED] does with his XRP. So I don't know
4 what he held when.

17:59:37 5 Q. [REDACTED]
6 (pronunciation)?

7 A. He would not have been on those
8 distributions, I don't think. He's not a
9 shareholder.

17:59:44 10 Q. He was not -- he was not an advisor
11 either?

12 A. I -- I don't know what -- I mean, I
13 don't -- we don't call him an advisor. I don't
14 know if he's on the email distribution or not.

17:59:52 15 Q. [REDACTED]?

16 MR. SOLOMON: Are you asking him
17 whether these people who were equity
18 shareholders also held XRP units --

19 MR. TENREIRO: Yes.

17:59:58 20 MR. SOLOMON: -- to his
21 knowledge? Okay.

22 I just want to make sure you
23 understand.

24 MR. TENREIRO: Yeah.

18:00:02 25 MR. SOLOMON: You were firing

18:00:04 1 names at him.

2 I just want to make sure you understand
3 the premise of the question.

4 A. I don't know if [REDACTED] holds XRP
18:00:10 5 or --

6 Q. As -- I'm sorry.

7 A. You know, either in his fund or
8 personally. I -- I -- I don't know.

9 Q. [REDACTED]?

18:00:20 10 A. I -- [REDACTED] does -- I do know that [REDACTED] --
11 [REDACTED], the joint venture, holds some
12 XRP.

13 Q. Okay. And [REDACTED] is copied on the emails
14 to Ripple's shareholders and advisors, correct?

18:00:34 15 A. Yes. The point I'm trying to make is
16 you're asking me -- I mean, is there a -- you've
17 highlighted of the couple hundred people that are
18 on the shareholders distribution, there's some
19 that I can definitively know have XRP. The vast
18:00:48 20 majority of them, I have no idea. I don't ask;
21 they don't share. It's -- it's not -- it's like
22 asking them how much cash they have in the bank.

23 Q. But you definitively knew that some of
24 them, in fact, held XRP?

18:00:59 25 A. Yes.

18:01:00 1 Q. Okay. And in those emails, again, you
2 were discussing the XRP rally and the price
3 increases in XRP in 2017, right?

4 A. Yes.

18:01:10 5 MR. SOLOMON: Do you want to show
6 him the emails?

7 MR. TENREIRO: They're right in
8 front of him if he wants to look at them
9 again.

18:01:13 10 Q. And you've looked at them.
11 Have you -- generally speaking, there
12 was an increase in the price of crypto assets --
13 very generally speaking, in the year 2017, is that
14 correct?

18:01:26 15 MR. SOLOMON: You've got to slow
16 down for me.

17 THE REPORTER: You're going too
18 fast.

19 Q. Very generally speaking, there was an
18:01:27 20 increase in the price of digital assets, crypto
21 assets, in the year 2017?

22 A. Yes. My recollection is there's a very
23 high correlation between digital assets and they
24 all seemed to rally in 2017.

18:01:42 25 Q. And that included XRP?

18:01:46 1 A. That included XRP.

2 Q. And throughout the year 2017, you were
3 speaking about the increases in the price of XRP,
4 both publicly and also to Ripple's shareholders
18:01:57 5 and advisors?

6 MR. SOLOMON: Objection; form.

7 A. I don't recall if it was throughout the
8 year. You've shown me examples from April and
9 May, which are April and May.

18:02:07 10 Q. All right. We'll get to December.

11 But what prompted you, after speaking
12 about the price of XRP at some points in 2017, to
13 then, in January of 2018, go back to delete likes
14 of tweets you made XRP price related?

18:02:24 15 MR. SOLOMON: Objection; asked
16 and answered.

17 A. I -- I -- yeah, I don't recall. I don't
18 know. And -- and I don't know that I did like
19 this.

18:02:36 20 Q. Well --

21 A. You have told me I liked this. I'm not
22 aware that I liked this.

23 Q. Well, I can't tell. You -- somebody
24 deleted the like -- you deleted some likes,
18:02:43 25 correct?

18:02:43 1 MR. SOLOMON: Objection. Don't
2 tell him what he's done. Ask him what he
3 remembers doing.

4 Q. You deleted some likes, correct? You
18:02:49 5 said in this text "Have cleaned up the likes."

6 A. I said that I cleaned up the likes, yes.
7 I don't know if that means that I had liked this
8 and unliked it or not. I can't tell from this.

9 Q. When you say "cleaned up the likes,"
18:03:01 10 what did you mean? Does that mean unlike?

11 A. I -- I --

12 MR. SOLOMON: Objection; form.

13 A. I didn't recall the text, and so I
14 certainly don't recall what I thought in 2017 when
18:03:12 15 I sent those texts.

16 Q. On the next page of the texts, if you
17 can go back to that exhibit, which is 35, towards
18 the -- towards the end, the second-to-last page.

19 On the second-to-last page, you say "Can
18:03:35 20 your teams review David Schwartz tweets and likes
21 for particularly noteworthy"?

22 Do you see that?

23 A. I do see that.

24 Q. She asked you "When does this need to
18:03:45 25 get done?"

18:03:45 1 And then I'm skipping one message. You
2 say "Prob depends on FT timing."

3 A. Yes.

4 Q. What does "FT timing" mean?

18:03:54 5 A. When I read that the first time and I
6 read through it, I thought to myself I wonder what
7 that means and I don't know now what that means.

8 Q. Did [REDACTED] go through David
9 Schwartz' tweets and likes for particularly
10 noteworthy?

11 A. I assume she did because she's pretty
12 diligent, but I don't know.

13 Q. Did you instruct him to clean up likes
14 on his Twitter account?

18:04:18 15 A. I don't recall.

16 MR. SOLOMON: Objection.

17 Q. At the end of the conversation, you say
18 "I spoke to David earlier today. He is also
19 reviewing. I'd like to keep traffic on this to a
18:04:25 20 minimum. I will call you."

21 Why did you want to keep traffic on this
22 to a minimum?

23 A. I -- I don't know.

24 Q. What does "this" mean in the text? Is
18:04:33 25 it the issue of cleaning up likes?

18:04:36 1 A. I -- I don't know. I don't remember
2 these texts and I don't remember what the impetus
3 was and I don't remember what I was thinking when
4 I sent that.

18:04:43 5 MR. TENREIRO: Okay. So let's
6 go -- are we ready or not yet?

7 MR. BAMBERGER: Yeah, just going
8 to bring them out.

9 MR. TENREIRO: Great. Let's go
18:04:54 10 to Exhibit 78 while we wait.

11 (Whereupon, exhibit is received
12 and marked Garlinghouse Deposition
13 Exhibit 78 for identification.)

14 BY MR. TENREIRO:

18:05:07 15 Q. Now we're in June.

16 (Pause)

17 Q. And just while you're reading, I'm going
18 to state on the record 78 is a three-page email
19 thread, RPLI_SEC 54397. And it appears to be
18:06:38 20 around June 5th, 2017.

21 (Pause)

22 Q. All right. Starting with the email,
23 this appears to be another update, is that fair to
24 say, the email that starts in the middle -- or
18:09:00 25 towards the top of page 2, rather, another

18:09:03 1 investor and advisor update that you were sending?

2 A. Yes.

3 Q. All right. And in this one, you also
4 talk about the increase in XRP's price so far in
18:09:12 5 2017. You refer to a 5,000 percent increase, is
6 that correct?

7 A. Yeah, I don't -- I didn't know if I
8 caught the 5,000 percent reference.

9 Q. Yes.

18:09:26 10 A. Yes, I see that now. Yes.

11 Q. Okay. Further up you say "Despite a
12 proven track record of being good stewards of XRP,
13 we have continued to hear concerns in the market
14 that Ripple could (hypothetically) sell our 61
18:09:39 15 billion XRP at any time - a scenario that would
16 certainly be bad for Ripple."

17 Do you see that?

18 A. Uh-huh.

19 Q. And then you talk about the escrow,
18:09:45 20 right?

21 A. Yes.

22 Q. The proven track record, what -- what is
23 that track record? What proved the track record
24 in your mind then?

18:10:01 25 A. I guess, simplistically, the fact that

18:10:04 1 we had never dumped XRP on the market, as some
2 said it was hypothetically at risk, some continued
3 to feel that because that risk existed, that the
4 fact that we have proven that over a period of
18:10:22 5 time we had not done things like that and, in
6 fact, tried to do the opposite, there were still
7 those who felt that risk existed.

8 Q. Is there anything else that proves this
9 track record up to this point in time of being
18:10:36 10 good stewards of XRP other than the absence of the
11 dumping?

12 A. I guess there's probably a myriad of
13 examples of how we have tried to be good stewards.
14 I think the mere fact that we started publishing a
18:10:56 15 quarterly XRP market update to try to find
16 transparency would be an example of trying to be a
17 good steward.

18 Q. What about selling XRP programmatically
19 in ways to not affect the market for XRP? Is that
18:11:10 20 a good -- an example of being a good steward?

21 MR. SOLOMON: Objection; form.

22 A. I think to the extent we have
23 consistently demonstrated a track record, we're
24 trying to make sure we don't impact the XRP
18:11:24 25 markets, would be evidence of being a good

18:11:26 1 steward.

2 Q. But that includes not impacting it with
3 respect to your sales -- or with your sales?

4 MR. SOLOMON: Objection; form.

18:11:34 5 Q. Right?

6 A. That's what I just said.

7 Q. Okay. Sorry if I misunderstood.

8 Was one of the reasons for the escrow to
9 remove that concern or hypothetical that some
18:11:51 10 people threw out there?

11 MR. SOLOMON: Objection; form.

12 A. And I think what I wrote at this time
13 was "We have given investors a predictable supply
14 schedule and removed what skeptics" -- sorry. "So
18:12:06 15 with the decision to lock up 55 billion XRP in
16 escrow, we have given investors a predictable
17 supply schedule and removed what skeptics have
18 suggested has been a barrier to broad XRP
19 adoption."

18:12:21 20 Q. Right. And -- and the email -- and
21 absolutely you can look at or refer to.

22 But, just generally, was one of the
23 reasons for the escrow to remove that sort of
24 concern that people in the market had expressed to
18:12:33 25 Ripple about potential dumping?

18:12:35 1 A. I think that's what the email says.

2 Q. And was one of the purposes of the
3 escrow to encourage speculation in XRP?

4 MR. SOLOMON: Objection; form.

18:12:50 5 MR. CERESNEY: Objection.

6 A. I think the -- my recollection, as
7 consistent with what the email says, is to remove
8 the concern that had been expressed that there was
9 a risk that we would dump XRP in the market.

18:13:03 10 Q. And was one of the purposes of removing
11 that concern to encourage speculation in XRP?
12 Again, you can look at the email or not. I'm just
13 asking you for your memory of what was the purpose
14 behind the escrow.

18:13:15 15 A. My recollection of the purpose of the
16 escrow is consistent with what is said here.

17 Q. All right. Further down you say "The
18 bottom line is that we are committed to making XRP
19 the best digital asset for payments."

18:13:27 20 Do you see that?

21 A. Yes, I do see that.

22 Q. How was Ripple planning on making XRP
23 the best digital asset for payments in -- when you
24 wrote this email in June of 2017?

18:13:41 25 A. My rec -- my recollection in June of

18:13:44 1 2017 is that we were continuing to execute a
2 strategy to make XRP very, very liquid and very,
3 very fast, very, very low energy, such that it
4 could be used both with Ripple's products and
18:14:01 5 people outside of Ripple to take advantage of XRP
6 as a very efficient payment mechanism.

7 Q. And the very, very fast and very, very
8 low energy, are those the efforts that the
9 engineers or computer scientists were engaged in?

18:14:16 10 MR. SOLOMON: Objection; form.

11 A. Ripple's engineers were engaged in a
12 whole bunch of things. XRP, as an open-source
13 technology, can be contributed to by Ripple's
14 engineers and as well as non-Ripple engineers.

18:14:30 15 Q. Right.

16 My question, though, was you said -- you
17 said "My recollection in June of 2017 is that we
18 were continuing to execute a strategy to make XRP
19 very, very liquid and very, very fast, very, very
18:14:43 20 low energy."

21 And my question is: Who at Ripple was
22 continuing to execute a strategy to make XRP very,
23 very fast and very, very low energy in June 2017?

24 A. I guess to be fair, at that point XRP
18:14:56 25 already was very, very fast and very, very low

18:14:58 1 energy.

2 Q. So you were not at that point committed
3 to continuing those efforts?

4 A. No. I would guess if we looked back at
18:15:11 5 the, you know, scalability of the XRP Ledger,
6 there continued to be improvements in the
7 four-plus years since this email was written.

8 Q. And were Ripple engineers participating
9 in making those improvements?

18:15:24 10 A. I don't know.

11 Q. Okay. Is it true today that Ripple is
12 committed to making XRP the best digital asset for
13 payments?

14 A. I mean, I would say today, as we have
18:15:38 15 obviously spoken about here and elsewhere, you
16 know, we want to see XRP be very, very liquid,
17 have a lot of utility, be very trusted. One
18 manifestation of that is its use case around
19 payments and Ripple's use case largely around
18:15:54 20 institutional liquidity.

21 Q. Okay. The -- on the second page of the
22 email, someone named [REDACTED] do you know who
23 that is?

24 A. Yes.

18:16:05 25 Q. Who is he?

18:16:06 1 A. He is [REDACTED]
2 Q. Okay. And does he hold XRP?
3 A. I don't know.
4 Q. Okay. [REDACTED] says -- I'm looking
18:16:15 5 at the second page, Mr. Garlinghouse. He says
6 "Congratulations," et cetera. He talks "You will
7 have to conduct a seminar (for me at least) on the
8 dynamics of cryptocurrency markets and what drives
9 the staggering appreciation and/or volatility. I
18:16:29 10 appreciate that the appreciation is likely not to
11 be a one-way trip."
12 Do you see that?
13 A. Yes.
14 Q. Is it fair -- and then, on the front
18:16:39 15 page, you say "On crypto I think there are four
16 drivers so far this year for XRP," and you list
17 four things.
18 Do you see that?
19 A. Yes.
18:16:50 20 Q. Okay. And were you accurately
21 reflecting your beliefs as the time -- at the time
22 as to the factors that went into the increase in
23 price of XRP?
24 A. I think I'm accurately reflecting, as
18:17:04 25 best I can, to [REDACTED] who has

18:17:08 1 very little understanding of technology or
2 certainly the crypto market.

3 Q. Explaining what you believed to be the
4 factors that went into the increase in price of
18:17:17 5 XRP?

6 MR. SOLOMON: Objection; form.

7 A. I think I'm as simplistically as
8 possible trying to, as I think he asked, "conduct
9 a seminar on the dynamics of cryptocurrency
18:17:34 10 markets and what drives the staggering
11 appreciation and/or volatility."

12 As I've testified earlier today, I think
13 that's a very, very, very hard thing to do, in
14 understanding what drives the volatility and
18:17:47 15 activity in the crypto markets even today, for
16 example.

17 Q. In June of 2017, you had the view that
18 to the extent Ripple does well in announcing
19 customers, that could drive market interest in
18:18:02 20 buying XRP as a speculative investment, correct?

21 A. You know, as I've testified earlier
22 today, I think there were times in 2017 that I had
23 the miscon -- the belief that -- and maybe
24 optimism perhaps -- that Ripple's activities had
18:18:26 25 in some ways touched the XRP markets.

18:18:29 1 Q. And in 2017 you also believed that
2 announcements about new exchanges listing XRP also
3 created tailwinds for the XRP market, right?

4 A. Yes. The more exchanges that list XRP,
18:18:48 5 the more liquidity there is in the XRP market, the
6 more trading pairs there are in the XRP market.
7 And I think it's fair to call that tailwinds.

8 Q. Well, here you're not talking about the
9 exchanges listed. You're talking about
18:19:01 10 announcements about exchanges listed.

11 MR. SOLOMON: Objection; form.

12 Q. So my question is, is it fair to say
13 that in 2017 you believed that announcements about
14 exchanges listing XRP created tailwinds?

18:19:16 15 A. I think you're making a distinction that
16 I'm not making. Announcing a new exchange listing
17 and implementing a new exchange listing I kind of
18 view as one and the same.

19 Q. Okay. And tailwinds means good for the
18:19:31 20 market generally? Or what does tailwinds mean?
21 It's your -- it's your email.

22 MR. SOLOMON: Objection; form.

23 A. When I use the word "tailwinds," I'm
24 usually suggesting that macro trends are positive
18:19:49 25 and constructive. And so to the extent more

18:19:54 1 exchanges are listing XRP, it's creating more
2 liquidity in the XRP market, and I view that as
3 net positive for all participants in the XRP
4 market.

18:20:06 5 Q. And, again, liquidity means, in your
6 mind, volume?

7 MR. SOLOMON: Objection; asked
8 and answered.

9 A. One critical aspect of liquidity I would
18:20:14 10 say is volume.

11 Q. And before I move on, if you can go back
12 to your original email, when you talked about the
13 over 5,000 percent increase in the price of XRP,
14 you say "Ripple is worth more than all but four
18:20:31 15 U.S. start-ups."

16 Do you see that?

17 A. Yes.

18 Q. How were you valuing Ripple? Ripple's
19 shares did not have, for example, like an actively
18:20:41 20 traded market at this time, right?

21 MR. SOLOMON: Objection; form.

22 A. That's correct.

23 Q. How were you valuing Ripple when you
24 made this statement?

18:20:48 25 A. It looks like I'm referencing a CNBC

18:20:52 1 article. And so I'm looking at how CNBC may have
2 valued Ripple.

3 Q. In -- in fact, you say, "In fact,
4 factoring in the 18 billion of XRP we own, Ripple
18:21:02 5 is worth more than all but four U.S. start-ups,"
6 right?

7 A. That is what the email says and then it
8 links to an article that apparently I'm
9 referencing that I assume references the value of
18:21:17 10 Ripple.

11 Q. What were Ripple's revenues from
12 software sales in June of 2017?

13 A. I don't recall.

14 Q. Magnitude? Order of magnitude?

18:21:28 15 A. In the [REDACTED]
16 [REDACTED] millions.

17 Q. Okay. Let's look at Exhibit 32.

18 (Whereupon, exhibit is received
19 and marked Garlinghouse Deposition
18:21:36 20 Exhibit 32 for identification.)

21 MR. TENREIRO: Here you go.

22 (Pause)

23 BY MR. TENREIRO:

24 Q. All right. In this email, the subject
18:23:14 25 is "Memes we should push."

18:23:16 1 Do you see that?

2 A. Yes.

3 Q. Memes we should push where?

4 A. I don't know.

18:23:25 5 Q. In public?

6 MR. SOLOMON: Objection; asked
7 and answered.

8 A. I don't know.

9 Q. You say "There are two memes I think we
18:23:34 10 want to push aggressively (well, we really want to
11 push the first one - maybe/maybe not the second
12 one)." The first one is XRP is -- now I'm not
13 reading. I'm -- "XRP is the best performing
14 (digital) asset in 2017. We are up more than
18:23:47 15 10,000 percent for the year."

16 Do you see that?

17 A. Yes.

18 Q. Why were you instructing the Hatch
19 Agency to aggressively push the meme that XRP was
18:23:56 20 up more than 10,000 percent for the year?

21 MR. SOLOMON: Objection; form.

22 A. I think to the extent I'm educating the
23 market about the advantages and differences
24 between XRP and the performance of XRP relative to
18:24:11 25 other digital assets, that is constructive in

18:24:15 1 getting more people doing things around the XRP
2 ecosystem which drives liquidity of the whole
3 ecosystem.

4 Q. So you were -- you wanted [REDACTED]
18:24:23 5 [REDACTED] to aggressively push the concept of XRP's
6 rise in price in order to bring liquidity into the
7 ecosystem, is that correct?

8 MR. SOLOMON: Objection.

9 A. I think I'm -- I mean, it's a statement
18:24:45 10 of fact, I think -- I don't remember exactly --
11 that XRP, regardless of the reasons, outperformed.
12 And I think highlighting the unique, as I say --
13 "and makes XRP unique" -- I think uniquely --
14 "position to capitalize on the many opportunities
18:25:05 15 for digital assets."

16 I think the more people who are building
17 on top of, contributing to, and driving liquidity
18 in XRP markets, that's good for Ripple. That's
19 good for all the participants in the XRP market.

18:25:16 20 Q. And liquidity in your answer means, in
21 part at least, more volume of XRP trading?

22 A. That's correct.

23 Q. All right. And then above you say, you
24 know, you can live stream and tweet storm some of
18:25:33 25 this information.

18:25:34 1 Do you see that?

2 A. I do see that.

3 Q. Did you engage in a tweet storm about
4 this topic?

18:25:46 5 A. I -- this is over about four years ago.
6 I don't know the answer to that.

7 Q. Above you say "At today's XRP prices,
8 Ripple is more valuable than every other private
9 company in Silicon Valley except for Uber."

18:25:59 10 Do you see that?

11 A. I do see that.

12 Q. How did you value Ripple in order to
13 make that statement?

14 A. I presume I'm using the same -- what was
18:26:05 15 the last article you sent me? The CNBC framework.
16 That they're looking at Ripple's holdings of XRP.

17 Q. To value Ripple?

18 A. I -- I don't remember this email, and so
19 I'm presuming -- I don't know what the date
18:26:23 20 comparisons are. It's actually quite different
21 dates. So I -- I presume some have looked at
22 Ripple and said Ripple owns a lot of XRP, as you
23 saw in the CNBC article, and so I'm probably using
24 that same logic.

18:26:40 25 Q. Yeah.

18:26:40 1 And that CNBC article -- by the way, did
2 you reach out to CNBC to try to correct any
3 confusion about, you know, linking Ripple to XRP
4 or did you instruct anyone else to do that?

18:26:51 5 A. I don't recall.

6 Q. Okay.

7 MR. TENREIRO: Let's take a break
8 so --

9 MR. SOLOMON: Sure.

18:26:56 10 MR. TENREIRO: Let's go off the
11 record.

12 THE VIDEOGRAPHER: Okay. Going
13 off the record at 6:28.

14 (Whereupon, a recess is taken.)

18:27:01 15 THE VIDEOGRAPHER: Okay. Back on
16 the record, 6:41.

17 BY MR. TENREIRO:

18 Q. Okay. Do you have -- sorry, which one
19 do you have in front of you?

18:39:49 20 A. Exhibit 32.

21 Q. Okay. This is the one where you're
22 talking about the memes about pushing aggressively
23 the performance of XRP, correct? This is in
24 December of 2017?

18:40:05 25 MR. SOLOMON: Is that a question?

18:40:06 1 MR. TENREIRO: Yes.

2 Q. Is this -- is this where you were
3 discussing aggressively pushing XRP's performance
4 in 2017?

18:40:16 5 A. I -- I think -- your characterization,
6 yes.

7 Q. All right. Here's Exhibit 33.

8 (Whereupon, exhibit is received
9 and marked Garlinghouse Deposition

18:40:21 10 Exhibit 33 for identification.)

11 BY MR. TENREIRO:

12 Q. While you take a look, I'll say that --
13 please read it. There's an attachment that I
14 included for completeness. I'm going to ask you
18:40:37 15 about the email, but you can read the whole thing
16 if you need to. The email is RPLI_SEC 866480.

17 (Pause)

18 Q. Mr. Garlinghouse, in 2000 -- around
19 December 15, 2017, did you have a meeting with
18:43:54 20 Ripple's board where you discussed their offer to
21 help Ripple spread the word? Bottom of the email.

22 MR. SOLOMON: Objection; form.

23 A. I -- as described, I have no
24 recollection of that, but I believe that's the

18:44:07 25 case.

18:44:08 1 Q. Okay. And the purpose -- is it fair to
2 say that the purpose of sending them the attached
3 FAQ was to arm them with Ripple's Key Messages?

4 A. I'm assuming that someone asked for that
18:44:24 5 information at the board meeting, and so we were
6 following up on a request from the board.

7 Q. And spread the word to whom?

8 A. That -- their family, their
9 respective -- I don't know. I mean, there's a lot
18:44:40 10 of people interested, particularly, frankly, in
11 December of 2017, there was a lot of people
12 interested in crypto. And there's, you know, more
13 interest in knowledge. There's more interest in
14 facts. And so to the extent we can help our board
18:44:55 15 members particularly be -- have more expertise,
16 more knowledge, that's probably useful.

17 Q. Did you restrict the board members --
18 did you restrict to whom they might spread the
19 word to in any way?

18:45:10 20 A. I don't recall.

21 Q. Is it possible that you did?

22 A. I don't know how I'd do that.

23 Q. Well, did you ask any of the board
24 members, you know, here's our Key Messages, but,
18:45:19 25 you know, don't discuss those with X, Y, Z types

18:45:24 1 of people? Did you say anything like that?

2 A. I -- I don't recall.

3 Q. Okay. And here in the email, you
4 discuss, again, "The price of XRP is up 200
18:45:30 5 percent since Monday." You note that as well?
6 You note that, correct?

7 A. Yes. I also note that crypto will
8 continue to be volatile, unpredictable, and even
9 at times irrational.

18:45:46 10 Q. And, in fact, you stated in your talking
11 points that you took a longer term of the view of
12 the market for XRP?

13 A. Yeah. I think I've said publicly that I
14 try not to pay attention to the gyrations of the
18:45:59 15 market. I think, you know, "We're not here to
16 pump XRP. We can't know exactly what will happen
17 to the price of XRP in the coming days or weeks."

18 THE REPORTER: Slow down.

19 THE WITNESS: I'm sorry.

18:46:16 20 A. "We can't know exactly what will happen
21 to the price of XRP in the coming days or weeks."

22 Q. And you stated publicly on a number of
23 occasions that you didn't look at the XRP price
24 over the course of the next three days or weeks
18:46:30 25 but, rather, three to five years, correct?

18:46:32 1 MR. SOLOMON: Objection; form.

2 A. Yes. I mean, to be clear, I viewed that
3 as kind of just -- I'm trying to take a long-term
4 view of crypto overall, of XRP. And, you know, my
18:46:45 5 counsel, which I think is, you know, repeated
6 is -- for employees and otherwise, is to not let
7 the craziness of, excuse me, the crypto markets
8 distract us.

9 Q. And you've also stated publicly on
18:46:58 10 occasion that you were long XRP, correct?

11 A. Yes.

12 Q. In fact, I think you stated very, very
13 long at some points? There was --

14 A. I don't know how many verys -- I don't
18:47:09 15 know how many verys. I -- I said publicly that I
16 am long XRP.

17 Q. You stated that you know Rip -- at
18 Ripple you're capitalists with respect to
19 commenting on XRP?

18:47:19 20 MR. SOLOMON: Objection; form.

21 A. Could you ask that question again?

22 Q. With respect to discussing XRP in
23 public, you've stated, you know -- in sum and
24 substance; I'm not quoting you exactly -- Ripple,
18:47:32 25 we're capitalists, you know. We want -- we are

18:47:33 1 interested in XRP.

2 A. I think I probably said we're interested
3 in long-term success of the XRP markets.

4 Q. Okay. And how do you measure the
18:47:42 5 long-term success of the XRP markets?

6 A. Liquidity, value, utility, trust.

7 Q. Trust from whom?

8 A. Anyone who's interested in -- in crypto
9 or in the movement of financial value.
18:48:03 10 Governments.

11 Q. In the email, you say, "1, XRP's rise
12 over the course of this year signals market
13 expectations of our company."

14 Do you see that?

18:48:13 15 A. I do see that.

16 Q. What expectations was the rise
17 signaling?

18 A. I don't know.

19 Q. Expectations that the company -- was it
18:48:23 20 expectations that the company would do something?

21 A. I don't know.

22 Q. Okay.

23 A. It looks to me a little bit like I'm
24 using it as a rallying cry. "All eyes are on us
18:48:36 25 and it's more important now than ever that we

18:48:38 1 execute." There was a lot of attention around the
2 crypto markets. There was a lot of attention
3 around Ripple. It's important that we didn't get
4 distracted by the volatile, unpredictable and, at
18:48:50 5 times, irrational markets and instead built
6 products that benefited our customers.

7 Q. So when you say "execute," execute on
8 what?

9 A. Execute on our product strategy, execute
18:49:06 10 on our sales efforts, execute on our development.

11 Q. Sometimes you described it as solving a
12 trillion-dollar problem, is that right?

13 MR. SOLOMON: Objection; form.

14 A. I think I have described that the way
18:49:23 15 liq -- the way financial institutions move
16 liquidity today results in trapped capital. The
17 system, typically referred to as Nostra/Vostro
18 accounts --

19 THE REPORTER: I need that again.

18:49:39 20 THE WITNESS: No --

21 N-O-S-T-R-O-/-V-O-S-T-R-O.

22 A. And according to studies I have read,
23 including by McKinsey, that amount sitting out
24 there is measured in the trillions.

18:49:49 25 Q. And the general media training FAQ,

18:49:54 1 what was the purpose of that document?

2 A. To be a general media training document.

3 Q. Was the purpose of that document to
4 provide talking points for when Ripple employees
18:50:10 5 spoke with the media?

6 MR. SOLOMON: Objection; form.

7 A. Well, typically we didn't -- I mean, I
8 would say the short answer is no. I mean, we
9 didn't empower all of our employees to talk to the
18:50:20 10 media.

11 Q. Well, to the extent that some did, to
12 the extent -- was the purpose -- was one of the
13 purposes of this document to provide talking
14 points for those Ripple employees who did speak to
18:50:30 15 the media for when they did so?

16 A. My experience in how our Comms teams
17 worked is they would have had something that
18 wasn't general media, but specific to a specific
19 outlet or to a specific event, a specific panel.
18:50:48 20 So the general media training, you know, I think
21 is here's some information about the company that
22 might be useful. And in this case -- again, I
23 think it was catalyzed coming out of the board
24 meeting -- I'm presuming that someone on the board
18:51:08 25 had questions about what was going on and how they

18:51:14 1 should be talking about the company.

2 Q. Talking publicly about the company?

3 A. That's your characterization, not mine.

4 Q. I'm asking you. Was it talking
18:51:21 5 publicly?

6 A. I don't know.

7 Q. Okay. Stepping away from the board
8 members, again, the general media training FAQ
9 document, was the purp -- was one of the purposes
18:51:31 10 of this document to provide talking points for
11 public speaking about Ripple to the extent a
12 person engaged in such public speaking?

13 A. I don't think it would have been this
14 document, but a more targeted, specific document,
18:51:44 15 depending upon the audience, the panel, event,
16 what have you.

17 Q. So this was -- was this maybe, then,
18 like sort of a base document and then from them --
19 from there you could create a more specific one
18:51:59 20 depending on the audience, event, or panel?

21 MR. SOLOMON: Objection; form.

22 A. Yeah, I think that's a fair
23 characterization.

24 Q. Okay. And having just reviewed the FAQ,
18:52:10 25 is it fair that on or around 2017, December of

18:52:13 1 2017, these are ideas that Ripple employees might
2 have stated publicly?

3 A. I don't think this was -- I mean, as
4 I've testified earlier, I don't think this was
18:52:26 5 distributed to all of our employees.

6 Q. Right.
7 So my question is, to the extent
8 employees of Ripple spoke publicly, do you have a
9 recollection on or around December 2017 hearing
18:52:40 10 some of these things said publicly?

11 MR. SOLOMON: Objection.

12 A. I don't recall.

13 Q. For example, you know, on page 2, you
14 say "We've been strong stewards of XRP and our
18:52:48 15 interests are very much aligned."

16 A. Can you point to me where that is?

17 Q. Yeah. The second page of the FAQ
18 towards the bottom. There's -- almost at the end.

19 MR. SOLOMON: What is the
18:53:02 20 question, please?

21 Q. Is it fair to say that on or around
22 December of 2017, you or other Ripple employees
23 might have stated publicly something similar to
24 what's here, which is "We've been strong stewards
18:53:13 25 of XRP and our interests are very much aligned"?

18:53:16 1 MR. SOLOMON: Objection; calls
2 for speculation.

3 A. I don't know. I -- I, to my knowledge,
4 haven't seen this. I don't recall seeing this
18:53:25 5 document, so I don't know.

6 Q. Okay. What about a little further up
7 where it says "Important to note that we take a
8 very long view of the market and don't get caught
9 up in short-term price gyrations"? Is that a
18:53:38 10 concept that you or other Ripple employees spoke
11 of publicly on or around December of 2017?

12 A. I -- I don't know.

13 Q. Okay. On the last part, it says "The
14 SEC's guidance is no surprise."

18:53:54 15 Are you referring -- what are you
16 referring to there? What guidance?

17 A. The header there says "What's your
18 stance on ICOs?" So I think I'm reacting to the
19 ICO boom of 2017.

18:54:08 20 Q. But what SEC guidance are you referring
21 to?

22 A. I don't know.

23 Q. You say "It's consistent with how the
24 law has worked for 70 years."

18:54:18 25 Do you see that?

18:54:18 1 A. Yes.

2 Q. Okay. And you had not hired
3 Mr. Ceresney at that point, correct?

4 A. No.

18:54:22 5 Q. Okay. So where -- where did you get
6 this from, that the SEC's guidance "was consistent
7 with how the law has worked for 70 years"?

8 A. I don't know.

9 Q. How referring to the Howey test?

18:54:31 10 A. I don't know.

11 Q. And -- okay.

12 So how -- is there some document that
13 might refresh your recollection as to what the
14 basis was for your statement that the SEC's
18:54:44 15 guidance was no surprise and was, in fact,
16 consistent with how the law has worked for 70
17 years?

18 MR. SOLOMON: Objection; form.

19 A. I don't have any recollection.

18:54:57 20 Q. Okay. Had -- Ripple had quarterly
21 all-hands meetings, is that right?

22 MR. SOLOMON: Can I just ask one
23 clarifying question?

24 MR. TENREIRO: Yes.

18:55:04 25 MR. SOLOMON: Did -- did you --

18:55:04 1 did you write these general media FAQs?

2 THE WITNESS: No.

3 MR. SOLOMON: Do you know who
4 did?

18:55:10 5 THE WITNESS: No.

6 MR. SOLOMON: Okay.

7 BY MR. TENREIRO:

8 Q. Did you review them before you sent them
9 to the board --

18:55:14 10 A. I --

11 Q. -- of the company?

12 A. I don't think so.

13 Q. You don't -- you don't think you
14 reviewed them before you sent them to the board?

18:55:19 15 A. I don't recall, but I don't think so.

16 Q. Okay. Did you ever review them?

17 A. I would have reviewed a more specific
18 media briefing document to the extent I was
19 speaking publicly in or around that time that

18:55:35 20 would have been, frankly, customized for that
21 event.

22 Q. Do you recall writing to Ripple's
23 investors that the SEC had showed leadership in
24 regulation releasing guidance that it viewed
18:55:51 25 initial coin offerings as securities?

18:55:56 1 A. I -- I don't recall.

2 Q. Okay. You had -- Ripple had what you
3 called all-hands meetings from time to time?

4 A. Yes.

18:56:07 5 Q. And what was the purpose generally of
6 those meetings?

7 A. As the company grew, I think it became
8 more and more important to share with the company
9 kind of what's going on with the company, where
18:56:24 10 we're headed, get people excited about the future
11 of the company.

12 Q. And what was the frequency of these
13 meetings?

14 A. Depends on what time period we're
18:56:36 15 talking about.

16 Q. Let's say when you became CEO in 2017.

17 A. I don't know when exactly we
18 transitioned. We used to do them more frequently
19 and then, as time went by, because of a certain
18:56:50 20 amount of work involved with -- I think we
21 actually did them almost weekly when I first
22 joined the company and maybe became CEO. As time
23 went by and the company grew, we transitioned to
24 doing all-hands by each quarter.

18:57:10 25 We also have, you know, more informal

18:57:13 1 meetings more regularly, but...

2 Q. Right. And there's -- let's -- let's
3 stick to the all-hands for now.

4 Some of the -- the all-hands meetings
18:57:21 5 were recorded in some fashion, is that correct?

6 MR. SOLOMON: Objection; form.

7 A. I -- I -- I'm not aware.

8 Q. So, for example, are you aware as to
9 whether they were videotaped?

18:57:31 10 MR. SOLOMON: Objection; form.

11 A. I -- I think some of them, particularly
12 as we became more global, we started recording
13 them so that people in other time zones -- if
14 you're in Singapore and we're doing an all-hands
18:57:48 15 at, you know, 10 a.m. on a Monday, that's a pretty
16 God-awful time for the team in Singapore. And so
17 we would have, I think, recorded them and
18 encouraged the team members in Singapore to watch
19 them.

18:58:02 20 Q. Did you speak -- after you became CEO,
21 did you speak at all at these all-hands meetings?
22 As a general matter. I understand you might have
23 missed one, but generally speaking.

24 A. Generally speaking, yes.

18:58:12 25 Q. Did Mr. Larsen speak at -- at the

18:58:14 1 all-hands meetings at any time?

2 A. At any time, yes. Certainly, again, it
3 depends on what time period we're talking about,
4 but less and less, though.

18:58:24 5 Q. What about 2017?

6 A. I don't recall.

7 Q. Okay. What other meetings were recorded
8 so -- sort of for this purpose of other Ripple
9 employees, different time zones, et cetera?

18:58:38 10 A. I -- I --

11 MR. SOLOMON: Objection; form.

12 A. I -- I don't know which ones are
13 recorded, which ones are not recorded.

14 Q. Who would know?

18:58:50 15 A. Maybe the Comms teams. Maybe the, kind
16 of, IT operations team that actually would have
17 done the recording.

18 Q. And where are the recordings stored?

19 MR. SOLOMON: Objection; form.

18:58:58 20 A. I don't know.

21 Q. Did you know that you were being
22 recorded when you spoke at those meetings?

23 MR. SOLOMON: Objection. I don't
24 think he knew they were all being

18:59:09 25 recorded, but I'm sorry --

18:59:12 1 Q. When you were being recorded, did you
2 know?

3 MR. SOLOMON: Okay. Okay.

4 A. I -- I don't recall.

18:59:19 5 Q. Did you ever ask anyone at Ripple not to
6 record any of these meetings?

7 A. I don't believe so. I don't recall
8 knowing that they were always being recorded, so I
9 don't think I would have taken the energy to say
18:59:31 10 let's not record them.

11 Q. Okay. Let's do Exhibit 101.

12 MR. TENREIRO: And do you want to
13 explain or do you want me -- what do you
14 want to do?

18:59:44 15 MR. BAMBERGER: Why don't I do it
16 and you can correct.

17 MR. TENREIRO: Okay.

18 MR. BAMBERGER: And so there are
19 a number of transcripts the SEC's counsel
18:59:46 20 has provided to Mr. Garlinghouse's counsel
21 prior to the questioning of him. They run
22 to over 300 pages. And so --
23 collectively.

24 And so the agreement that we've
18:59:56 25 made is that Mr. Garlinghouse will not --

18:59:58 1 has not had the opportunity to review the
2 transcripts in their entirety. The SEC's
3 counsel has pointed us to portions of the
4 transcripts he expects to question
19:00:06 5 Mr. Garlinghouse about. We've asked
6 Mr. Garlinghouse to review those portions
7 that the SEC has designated.

8 They're, in several of them,
9 portions prior to the portions the SEC
19:00:18 10 has designated, in which there are other
11 discussions of other aspects of Ripple's
12 business. We have highlighted those
13 portions in pen. And to the extent those
14 discussions are, in Mr. Garlinghouse's
19:00:29 15 mind, relevant to his answers to the
16 questions the SEC's counsel poses to him,
17 he should look at those portions.

18 MR. TENREIRO: I think that's
19 fair. And I will add that I also stated
19:00:39 20 to Mr. Bamberger, Bamberger
21 (pronunciation), that to the extent that
22 that is necessary for -- to read
23 additional parts, we're going to seek more
24 time because, as he said, these are over
19:00:50 25 300 pages long and it would take hours to

19:00:52 1 read all of them.

2 MR. BAMBERGER: And we reserve
3 our right to object to --

4 MR. TENREIRO: Yeah, exactly.

19:00:56 5 Same thing.

6 (Whereupon, exhibit is received
7 and marked Garlinghouse Deposition
8 Exhibit 101 for identification.)

9 BY MR. TENREIRO:

19:00:58 10 Q. Okay. So I'm going to start with 101
11 and I'm going to tell you, Mr. Garlinghouse, that
12 my understanding is that this was recorded on
13 October 12th, 2017.

14 MR. TENREIRO: So here's

19:01:08 15 Bridget's copy. Here's Matt's copy.
16 Here's the extra and yours.

17 Q. And, as your counsel said, there's
18 pencil markings, which is the part that I'd like
19 you to read now.

19:01:18 20 A. Thank you.

21 MR. TENREIRO: And so for the
22 people that are looking at it that don't
23 have it marked, I'm looking at the third
24 page that says "SEC_SEC-E-10454."

19:01:45 25 BY MR. TENREIRO:

19:01:46 1 Q. Mr. Garlinghouse, on the -- on the left
2 side, there's sort of a page and line number. So
3 for the record, I'm going to ask -- I've asked you
4 to read what's marked page 7, line 13 to page 8,
19:01:57 5 line 2. Thank you.

6 (Pause)

7 A. Okay.

8 Q. Okay. Do you see here that you referred
9 to a chart of XRP's stock price?

19:02:32 10 A. I see that reference, yes.

11 Q. Okay. And did you make that mistake
12 often in 2017?

13 A. I don't think so, no.

14 Q. Did others at Ripple?

19:02:41 15 A. I don't think so.

16 Q. Why do you think you made that mistake?

17 A. Without looking at the visual, I don't
18 know.

19 Q. Okay. You mean the videotape recording?

19:02:51 20 A. No, I mean -- I think I'm referencing a
21 chart that I think is on the screen.

22 Q. I see.

23 A. And sometimes how the data is presented
24 in a chart could influence how one might -- it
19:03:03 25 might have looked like a, quote, stock chart.

19:03:05 1 Q. Sure. Sure.

2 And so from reading this part, you
3 believe there was some sort of visual you were
4 using at the meeting?

19:03:14 5 A. Well, I think what this transcript says
6 is "This is a chart of XRP's stock...not stock
7 price. Sorry. (Laughter)." So the chart, I'm
8 presuming, was somehow shown to the company in a
9 visual manifestation.

19:03:31 10 Q. Generally speaking, when you had these
11 all-hands meetings, did you have a visual, sort
12 of, like PowerPoint slides or any other visual
13 aid?

14 MR. SOLOMON: Hold on one second.

19:03:40 15 Hold on one second.

16 MR. TENREIRO: I'm sorry, do we
17 need to go off the record? Because I
18 don't -- let's go off the record if you
19 want to discuss.

19:03:49 20 THE WITNESS: That's fine.

21 MR. TENREIRO: Off the record,
22 please.

23 THE VIDEOGRAPHER: Going off the
24 record at 7:05.

19:07:34 25 (Pause)

19:08:05 1 THE VIDEOGRAPHER: Back on at
2 7:09.

3 BY MR. TENREIRO:

4 Q. Okay. Mr. Garlinghouse, I was asking
19:08:10 5 you, did you typically have visual aids like
6 PowerPoints or other visual aids for the all-hands
7 meetings?

8 A. Yes.

9 Q. Who prepared them for you?

19:08:21 10 A. Multiple people, generally led by the
11 Comms team or marketing team.

12 Q. Okay. And why did you prepare them?

13 A. I didn't prepare them.

14 Q. Why did you have them prepared?

19:08:41 15 A. Well, it's not that often -- obviously,
16 as we talked about, it's a quarterly all-hands.
17 It's not that often we have the whole company
18 together. And I think treating that -- if we're
19 going to invest that much time in bringing
19:08:59 20 together hundreds of people, we should prepare the
21 time and energy to make sure they're thought
22 through a bit and communicating the information
23 that would be most interesting and relevant to our
24 employees.

19:09:12 25 Q. Okay. And what -- where are those

19:09:16 1 PowerPoint present -- were they PowerPoint
2 presentations?

3 A. Probably not. They're probably Google
4 slides.

19:09:24 5 Q. And where are they?

6 MR. SOLOMON: Objection.

7 A. I -- I don't know. I don't -- maybe I
8 don't understand the question.

9 Q. To the extent that they were electronic
19:09:33 10 files, where are they now?

11 MR. SOLOMON: Objection.

12 A. I presume they are stored on --

13 MR. SOLOMON: Do you know where
14 they are?

19:09:43 15 THE WITNESS: No, I don't know
16 where they are.

17 Q. What's your best understanding as to
18 where something like that would be?

19 A. Ripple predominantly, as I think you are
19:09:51 20 aware, uses Google Docs. And so in Ripple's --
21 directly and indirectly, Ripple's data
22 infrastructure, some of them would be stored or
23 maybe they've been deleted over time. 2017 is a
24 long time ago.

19:10:07 25 Q. Okay. And the all-hands meetings, is

19:10:11 1 it -- were you discussing -- I'm trying to get a
2 sense as to what you selected to discuss at these
3 meetings.

4 Was it everything under the sun that had
19:10:20 5 happened at the company or did you try to focus on
6 the important developments since the last meeting?

7 MR. SOLOMON: To the extent you
8 can answer a very general question with a
9 very general answer, obviously do that.

19:10:31 10 A. I mean, the first thing I'm going to say
11 is I'm not sure I was the one selecting. And I
12 think given that I don't think I was the one
13 selecting, I would have looked to others to
14 determine what was most poignant and relevant to
19:10:48 15 our employees.

16 Q. And would the others be your direct
17 reports?

18 A. Sorry. Could you ask that question
19 again?

19:10:55 20 Q. Yeah. Would the others you
21 referenced -- you said "I would have looked to
22 others to determine what was more poignant and
23 relevant to our employees." Would those others be
24 your direct reports?

19:11:08 25 A. Some of them, but not all of them. Some

19:11:09 1 of the people involved would not have been my
2 direct reports.

3 Q. Okay. And did you give them any
4 directive as to what sort of information they
19:11:15 5 should select for presentation at the all-hands
6 meetings?

7 A. I -- at any of the meetings ever did I
8 ever encourage --

9 Q. No. I was asking for more general.
19:11:29 10 Did you give more general guidance to
11 them when you started being CEO about what you
12 wanted to present to the company?

13 A. I -- I don't have a specific
14 recollection of that, but I expect that I would
19:11:40 15 have -- with their guidance and leadership, I
16 trusted that team. I would have collaborated with
17 them about what should be presented.

18 Q. Okay. And, generally speaking, how long
19 did these meetings last, the all-hands?

19:11:54 20 A. Probably 90 minutes.

21 Q. Okay. And did -- again, generally --
22 I'm not asking for a specific one. Generally,
23 were there occasions where different Ripple
24 employees presented information?

19:12:09 25 A. Generally speaking, more than one person

19:12:12 1 would speak. In fact, I think oftentimes I would
2 do the smallest amount of the total time spent.

3 Q. Okay. Did you attend a meeting, a
4 Ripple meeting, where Ms. O'Gorman and others
19:12:30 5 discussed the legal status of XRP under the
6 securities laws? I'm not asking you for the
7 substance of the discussion. I'm just asking for
8 a yes or no, did you attend such a meeting?

9 A. Just because I'm losing the -- the
19:12:41 10 thread here. Nothing to do with all-hands.
11 Nothing to do with what's in front of me.
12 Separate question. Could you ask that question
13 again that --

14 Q. Did you attend a meeting, a Ripple
19:12:50 15 meeting, where Ms. O'Gorman and others discussed
16 the legal status of XRP under the securities law?

17 A. I don't recall.

18 Q. Okay. Let me ask you to take a look at
19 99, which I have here.

19:13:13 20 (Whereupon, exhibit is received
21 and marked Garlinghouse Deposition
22 Exhibit 99 for identification.)

23 BY MR. TENREIRO:

24 Q. All right. So 99, to my understanding,
19:13:15 25 is December 12th, 2017. And, again, I marked it

19:13:22 1 in pencil so let me pass it on to you.

2 A. Are we finished with 101?

3 Q. Yes. So that's for you and then for
4 everybody else.

19:13:37 5 A. This is mine.

6 MR. TENREIRO: So here's three.

7 MR. SOLOMON: Thank you.

8 A. Oh, it was an extra one.

9 MR. TENREIRO: So what I asked
19:13:53 10 him to look at -- so go ahead -- is -- the
11 Bates is 10277. And the page on the left
12 side is 24, 2 to 27, 7.

13 MR. CERESNEY: And, Jorge, can
14 you put on the record the date of this?

19:14:12 15 MR. TENREIRO: Yes. I believe
16 it's the 12th of December of 2017.

17 A. Just also for my macro, this is an
18 all-hands transcript?

19 Q. That is my -- well, in fact -- in fact,
19:14:26 20 if you -- one second. Yes. I will show you.
21 That is my understanding.

22 A. Sorry? I apologize. I was reading
23 outside of the pencil marks just to make sure I
24 understand what this is a transcript from and I'm
19:14:47 25 having a little trouble figuring that out. And

19:14:49 1 the date.

2 Q. The date is not reflected there. I'm
3 telling you the date based on the production from
4 counsel.

19:14:56 5 A. And, sorry, can you tell me the date
6 again?

7 Q. 12 December 2017.

8 A. 12 December 2017?

9 And would --

19:15:04 10 Q. Do you still have Exhibit 33 in front of
11 you? I think it's that one. I think it's this
12 one.

13 A. Yep.

14 Q. All right. Actually -- well, this will
19:15:16 15 be relevant in a sec. Just read the pencil part,
16 please, of the Exhibit 99.

17 A. I'm just trying to make sure I
18 understand what I'm reading.

19 Q. My understanding is that it's a
19:15:26 20 recording of an all -- all-hands meeting that
21 occurred on December 12th, 2017.

22 A. At the Ripple offices?

23 Q. You'd have to ask your counsel. I don't
24 know where the recordings were made. I assume so.

19:15:39 25 MR. CERESNEY: That's not a

19:15:40 1 question for counsel. That's a question
2 for the witness.

3 MR. TENREIRO: That's right.

4 MR. CERESNEY: We produced the
19:15:46 5 documents. Doesn't necessarily mean we're
6 going to -- we know exactly where it was
7 recorded.

8 BY MR. TENREIRO:

9 Q. Did Ripple have all-hands meetings
19:15:52 10 outside of the Ripple office?

11 A. Yes.

12 Q. Oh, okay. And were those recorded?

13 A. I believe so -- to be honest, I don't
14 know which ones were and weren't, as I said
19:16:00 15 earlier. So I don't know.

16 Q. Okay.

17 A. Part of the reason I was asking that
18 question was where it was recorded would tell me
19 if it was in our old office, new office. It would
19:16:10 20 just help me understand the context for what's
21 being presented, but...

22 MR. SOLOMON: Why don't you read
23 this passage. And if there's more of it
24 that you need to read, based on the
19:16:19 25 agreement we made with the SEC, we can

19:16:22 1 direct you to additional portions of the
2 document --
3 THE WITNESS: Okay. Sounds good.
4 MR. SOLOMON: -- as needed.
19:16:28 5 MR. WARD: And just for clarity
6 of the record and for those of us who
7 don't have a copy, could I ask the page
8 and line numbers be read into the record
9 that we're talking about?
19:16:36 10 MR. TENREIRO: Sure. I already
11 read them.
12 MR. WARD: Oh, you did?
13 MR. TENREIRO: Yeah. I already
14 read them, so --
19:16:41 15 MR. WARD: That's fine.
16 MR. SOLOMON: Do you -- do you
17 not have a copy?
18 MR. WARD: No, we have a copy.
19 MR. SOLOMON: Okay. It's 10277,
19:17:05 20 line 1, through 10278, line -- page 27,
21 line 7.
22 MR. TENREIRO: Yeah. That's
23 correct, Matt. I asked -- right now the
24 transcript says 267, maybe this is just a
19:17:17 25 typo, but it is 277.

19:17:19 1 MR. SOLOMON: Okay. Thanks.

2 (Pause)

3 THE WITNESS: Okay.

4 BY MR. TENREIRO:

19:19:02 5 Q. All right. So I'm -- do you see
6 generally that you talk about the 4,000 percent
7 increase in the price of XRP in 2017?

8 A. I -- I was a little bit confused by the
9 transcript because, you know, I don't know how the
19:19:24 10 transcript's created, but it -- it doesn't
11 reference XRP, I don't think. I mean, I
12 understand why you might assume that. But it's
13 referencing Dash and I don't know if it's talking
14 about a digital asset called Dash that's up 4,000
19:19:42 15 percent or it's referencing XRP.

16 Q. Is it fair to say that in this portion
17 of the transcript, you are nevertheless discussing
18 the price of XRP, for example, where you say "But
19 if you just look at the last three months, XRP has
19:19:55 20 underperformed the market"?

21 A. Yeah. Much further down -- and, again,
22 without seeing the video itself -- much further
23 down, separate from the 4,000 percent, which I
24 think you attributed to the performance of XRP,
19:20:08 25 which I don't know if that's correct, I'm

19:20:11 1 suggesting that XRP has underperformed the market.
2 Maybe I'm presenting a slide that talks about lots
3 of different crypto assets and their performance
4 and I'm showing a chart saying that XRP has
19:20:27 5 underperformed in the last three months.

6 Q. Okay. And then you say "Anyway, the
7 point I'm making here is I'm going to continue to
8 beat the drum that it isn't about three days,
9 three weeks or three months. It's about three
19:20:38 10 years or five years. If we execute our strategy
11 successfully and we get lots of financial
12 institutions around the world using our services,
13 using our solutions, it's going to drive demand
14 for XRP, and I am much more worried about that
19:20:51 15 three- to five-year arc of time than a three day."

16 Do you see that?

17 A. Yes.

18 Q. And are you -- is this similar to
19 statements you made publicly about your focus on
19:21:01 20 three to five years for the XRP markets?

21 A. Yes.

22 Q. Okay. And then you say "Now I'm going
23 to contradict some of what I just said. It
24 matters that we stay in the lead pack. If people
19:21:10 25 perceive us as an after-run and kind of dropping

19:21:13 1 down the ranking, if you will, as measured by
2 market capital, I do worry about that."

3 Do you see that?

4 A. I do. I'm guessing that there's a bit
19:21:22 5 of a transcription problem because I probably
6 didn't say market capital as an example.

7 Q. You might have said market cap?

8 A. Market capitalization.

9 Q. Market capitalization. Okay.

19:21:32 10 And is it -- and the market
11 capitalization, I think we discussed earlier, you
12 measure as price times units, right?

13 A. I don't know how else I would measure
14 it. Yeah.

19:21:44 15 Q. I just want to have it for the record.

16 So -- so is it fair to say that here
17 you're worried about -- you are expressing your
18 concern that if people perceive Ripple dropping in
19 the ranking of market capitalization, that's not
19:21:59 20 good?

21 MR. SOLOMON: Objection; form.

22 A. I think if you meant XRP, not Ripple, I
23 would probably agree.

24 Q. Okay. So "if people perceive us" is a
19:22:11 25 reference to XRP? "Us" is XRP in that sentence?

19:22:14 1 A. Where are you -- where are you reading?
2 What line?

3 Q. Towards the bottom. "If people perceive
4 us as an after-run and kind of dropping down the
19:22:21 5 ranking, if you will, as measured by market"
6 capitalization -- I know the transcript says
7 "capital." So is your testimony that the "us" in
8 that sentence is XRP?

9 A. I -- I think I'm referring to XRP in
19:22:32 10 that context, yes.

11 Q. Okay. And why are you using "us" to
12 refer to XRP?

13 A. I -- I don't know if the transcript's
14 correctly -- correct and whether or not I actually
19:22:41 15 said that, but I -- I also could have misspoke.

16 Q. And then you say "I think that is, you
17 know, the perception of Ripple, the brand
18 perception of Ripple shifts a little bit."

19 So is it -- were -- were you expressing
19:22:55 20 the idea that if the market capitalization of XRP
21 went down, the brand perception of Ripple shifted?

22 MR. SOLOMON: Objection; form.

23 A. Yes.

24 Q. Okay. And when you talk about the
19:23:11 25 ranking, is this a reference to sort of what we've

19:23:14 1 discussed earlier, the ranking, the top three, you
2 know, when you see the market capitalizations of
3 bitcoin and other digital assets?

4 MR. SOLOMON: Objection; form.

19:23:26 5 A. Yes.

6 Q. Okay. And is it still true today that
7 you worried that if XRP is seen as dropping in
8 this ranking, that affects Ripple's brand
9 negatively?

19:23:36 10 MR. SOLOMON: Objection; form.

11 A. So if XRP is not widely listed on
12 exchanges and doesn't have robust volume, which
13 would happen if there's fewer exchanges listing
14 it -- exchanges are motivated to list the most
19:24:02 15 liquid digital assets because those are the ones
16 that trade the most. They get fees based upon
17 trading, as we discussed earlier.

18 If the fees that they get from one
19 digital asset versus another digital asset reduce,
19:24:15 20 they might be inclined to either not list XRP,
21 which is not good for Ripple's desire to have lots
22 of liquidity between XRP fees and fiat pairs, or,
23 in some cases, halt trading, delist, what have
24 you.

19:24:33 25 Q. Okay. Let me try again.

19:24:35 1 Is it still -- is it still true today
2 that you worry that if XRP is seen as dropping in
3 this ranking, that that affects Ripple's brand
4 negatively?

19:24:42 5 MR. SOLOMON: Objection; form.

6 A. I'm making the point that if Ripple
7 can't deliver robust products, clearly that would
8 affect our brand perception. If -- if there's not
9 robust liquidity in the XRP markets between as
19:24:59 10 many currency pairs -- when -- when liquidity in
11 XRP goes down, that isn't good for what Ripple's
12 trying to do with our products. If we can't
13 execute -- and people understand this in the
14 marketplace.

19:25:16 15 And so as -- as XRP has gone from being
16 number two to number three, after the SEC lawsuit,
17 to number six, that's not good for Ripple's
18 business.

19 Q. Number six in what? Market
19:25:35 20 capitalization?

21 A. That's correct.

22 Q. Okay. And just to pick up on what you
23 just said, "When liquidity in XRP goes down, that
24 isn't good for what Ripple's trying to do with our
19:25:45 25 products."

19:25:46 1 So is it fair to say that when there are
2 fewer buyers and sellers of XRP, that's not good
3 for what Ripple's trying to do with the products?

4 A. I think my testimony was when there's
19:25:57 5 less liquidity, there could be fewer and more
6 liquidity, right? I mean, if you have really
7 aggressive market makers that are trading
8 actively, there could be lots of liquidity.

9 Q. Okay.

19:26:09 10 MR. TENREIRO: Let's take a look
11 at 129. Actually, I'm going to have to
12 ask Bridget to mark it because there's
13 no -- there's no -- there's no marking on
14 it. Just write it?

19:26:25 15 THE REPORTER: And I'll put a
16 sticker on it after.

17 MR. TENREIRO: Okay, great. And
18 here's yours.

19 MR. SOLOMON: Okay.

19:26:28 20 (Whereupon, exhibit is received
21 and marked Garlinghouse Deposition
22 Exhibit 129 for identification.)

23 BY MR. TENREIRO:

24 Q. This one I'm going to ask you to read
19:26:31 25 the whole thing, sir. That's for Bridget and this

19:26:32 1 is for you and this is for your counsel. And I
2 need one of the rest. This is a shorter one, but
3 you should just read the whole thing.

4 And in terms of -- my understanding is
19:26:42 5 this was December 14, although you'll notice in
6 the first line you say "We just went yesterday."
7 So possibly the 13th. I'm not sure, but we
8 understand this is...

9 A. I'm sorry, I don't -- I don't know what
19:27:00 10 the context is. Where is -- where? When? I
11 guess you said it's December --

12 Q. My understanding is that it's the 14th.
13 But if you read the first line, you say "Some of
14 you are wondering, hey, Brad, what's up? We just
19:27:13 15 met yesterday."

16 A. Is this an all-hands event or a media --

17 Q. You'll have to tell me after you read it
18 what you recall.

19 MR. SOLOMON: Just read it. See
19:27:23 20 if you remember.

21 THE WITNESS: Yeah.

22 MR. SOLOMON: Tell him as best
23 you can with whatever qualifications you
24 need.

19:28:52 25 (Pause)

19:32:42 1 BY MR. TENREIRO:

2 Q. Okay. Mr. Garlinghouse, having reviewed
3 the transcript, can you tell me why you had this
4 meeting?

19:32:51 5 A. My interpretation from reading the
6 transcript is that given the craziness going on in
7 the crypto markets, and specifically with XRP, I
8 wanted to remind people that we have products to
9 build, code to ship, customers to serve. And I
19:33:06 10 was pointing out that it could be easily
11 distracting when the volatility is what it sounds
12 like it was.

13 Q. The -- the -- the rapid swings in price?
14 That's volatility?

19:33:22 15 A. Yes.

16 Q. Okay. And you said you've "checked XRP
17 more today than I probably have in the last week
18 combined."

19 Is that a reference to checking the
19:33:31 20 price charts for XRP?

21 A. Yes.

22 Q. Okay. Towards the beginning, you say
23 "I've been stressed because every time the price
24 of XRP goes up, the expectations of everyone in
19:33:40 25 this room go up."

19:33:41 1 Do you see that?

2 A. I -- I -- I saw that when I read it. If
3 you tell me which line, I'm happy to take another
4 look at it.

19:33:48 5 Q. Yeah. It's page 3, line 6. It actually
6 starts at 5 -- no, page 3. If you look on the
7 left side, there's a little marker.

8 A. Oh, gotcha. Okay.

9 Q. Expectations from whom?

19:34:06 10 A. I don't know who I was referencing here.

11 Q. Then you say "the expectations on me go
12 up."

13 Whose expectations are you referencing
14 there?

19:34:14 15 A. Maybe the employees. I don't know.

16 Q. And then you say "The expectations that
17 everyone has about what Ripple is trying to do
18 goes up."

19 Whose expectations are you referring to
19:34:23 20 there?

21 A. Maybe our customers. I don't know.

22 Q. And when you talk about your
23 customers -- when you say your customers in that
24 answer, what Ripple customers are you referring
19:34:33 25 to?

19:34:34 1 A. Financial institutions.

2 Q. And which financial institutions were
3 Ripple's customers in December of 2017?

4 A. According to Exhibit 33, [REDACTED]

19:35:02 5 [REDACTED]

6 THE REPORTER: I'm sorry, I'm
7 not getting that. "According to Exhibit
8 33..."?

9 A. According to Exhibit 33, [REDACTED]

19:35:04 10 [REDACTED]

11 [REDACTED]

12 Q. Was Ripple selling XRP to those
13 institutions?

14 A. Some of them.

19:35:24 15

16 Q. Which ones?

17 A. [REDACTED].

18 Q. For what purpose?

19 A. I don't recall. I just know that [REDACTED]
has been a purchaser of XRP.

19:35:38 20

21 THE REPORTER: "I just know..."?

22 THE WITNESS: I just -- sorry, I
was covering my mouth.

23 A. [REDACTED] had been a purchaser of XRP.

24 Q. In 2017 did you know for what purpose
19:35:41 25 they were a purchaser?

19:35:42 1 A. I don't recall.

2 Q. Okay. And is it your testimony that you
3 believe that those institutions' expectations of
4 Ripple go up when the price of XRP goes up?

19:35:55 5 MR. SOLOMON: Objection; form.

6 A. I think the attention on Ripple, the
7 company, is -- has been -- the attention had been
8 correlated with the attention around the XRP
9 markets.

19:36:12 10 Q. Why?

11 A. Because people associate us with XRP.

12 Q. And why do they do that?

13 A. I would be speculating. Depends on
14 which audience. Ripple owns XRP and so we are --

19:36:35 15 as we discussed earlier today, things like
16 CoinMarketCap incorrectly listed XRP as Ripple for
17 some period of time.

18 Q. In the next page of the document, on the
19 left, it's page 4, 11, you say that what stresses

19:36:55 20 you out is "the height of the tree. The
21 expectations are really high. The trunk hasn't
22 built out and everyone in this room needs to help
23 build out that trunk."

24 Do you see that?

19:37:04 25 A. Yes.

19:37:04 1 Q. That's sort of a -- a pretty graphic
2 analogy. Can you explain it to me? What --
3 what's -- what's the height of the tree here?
4 What's the tree and what's the trunk?

19:37:13 5 MR. SOLOMON: If you remember.

6 A. Yeah. I -- I -- I don't remember
7 specifically. I mean, I think this -- the story
8 I'm trying to tell is that the attention on crypto
9 markets, the attention on Ripple, has gone up.
19:37:34 10 And we need to be in a position to deliver on the
11 promises we made to customers.

12 Q. What promises did you make to customers?

13 A. Well, when we sign a contract, we agree
14 to deliver certain things. We've -- we're
19:37:55 15 building -- trying to build out an internet of
16 value and we have done things like the Global
17 Payments Steering Group and creating rulebooks
18 around how global payment infrastructure can and
19 should work between counterparties.

19:38:10 20 Q. And so is it your testimony that when
21 the -- that your perception around December of
22 2017 was that if the price of XRP went up, there
23 was an increased pressure to deliver on promises
24 you had made in contracts with customers?

19:38:28 25 A. I think my testimony was that the

19:38:30 1 attention on Ripple, the company, certainly has
2 some, in my experience, correlation with the
3 attention on crypto and the attention on XRP.

4 Q. Okay. Let's set that aside. I'm going
19:38:46 5 to ask you to look at Exhibit 90.

6 (Whereupon, exhibit is received
7 and marked Garlinghouse Deposition
8 Exhibit 90 for identification.)

9 MR. TENREIRO: Here you go.
19:38:55 10 Thank you.

11 MS. BUNTING: Which exhibit is
12 this?

13 MR. TENREIRO: 90. Nine zero.

14 MS. BUNTING: 90. Thank you.

19:39:53 15 (Pause)

16 MR. TENREIRO: This is a
17 four-page exhibit, RPLI_SEC 54005, a
18 thread around January -- early January
19 2018.

19:41:06 20 (Pause)

21 THE WITNESS: Okay.

22 BY MR. TENREIRO:

23 Q. Mr. Garlinghouse, this thread appears to
24 include a markets update from Dinuka Samarasinghe,
19:41:46 25 is that right?

19:41:48 1 A. I thought it was from Miguel.

2 Q. There's one from Miguel as well. I was
3 going to get to that. If you look at the third
4 page, on Friday, January 5th at 1:02.

19:41:58 5 A. Oh, yep.

6 Q. Okay. He talks about a series of body
7 blows for XRP, XRP haters attacking full force,
8 XRP price down 15 percent.

9 Do you see that?

19:42:11 10 A. Wait. Which line -- oh, it's just line
11 numbers. Sorry. What -- I don't see -- I saw
12 what I read, the "body blows" reference, but I'm
13 not seeing that now.

14 Q. It's like the middle of page 3. Ripple
19:42:23 15 is --

16 A. Oh, yes.

17 Q. Okay. All right. And then Ms. Long, on
18 the front page, says a number of things, but she
19 says "Gross misinformation and FUD spreads quickly
19:42:35 20 and hurts our business."

21 Do you see that?

22 A. Yes.

23 Q. A little bit further down, she says "We
24 have a two" -- "two-pronged strategy: Offense.

19:42:46 25 We need to drive the conversation - keep putting

19:42:49 1 points on the board, back up the XRP thesis with
2 real traction, keep educating on our strategy and
3 progress. We need to be omnipresent - either
4 Ripple or our supporters, armed and dangerous."

19:43:00 5 And then "Defense."

6 On the offense point, what steps, if
7 any, did Ripple take to go on the offense with
8 respect to the conversation about XRP after this
9 email?

19:43:13 10 A. I don't recall.

11 Q. You say that it "seems 100 percent on
12 target" to you, right?

13 A. That is my reply.

14 Q. Okay. Sitting here today, did Ripple
19:43:25 15 make itself omnipresent, either Ripple or with its
16 supporters in sort of the public?

17 A. I don't recall.

18 Q. Did Ripple make attempts to drive the
19 conversation about XRP in public?

19:43:38 20 A. I don't recall.

21 Q. You don't recall any efforts by Ripple
22 after January 2018 to drive the conversation about
23 XRP? Is that your testimony?

24 A. I mean, so, any -- sorry, could you
19:43:50 25 repeat that question?

19:43:52 1 Q. Do you recall any efforts by Ripple
2 after January 2018 to drive the conversation about
3 XRP?

4 A. Yes.

19:43:59 5 Q. What efforts?

6 A. I mean, you -- you included in that
7 question everything including last week or
8 yesterday. And so certainly it has always been
9 important to Ripple, important to me, that in a
19:44:12 10 world of crypto where many people spread false
11 information -- I highlighted the Amazon or Walmart
12 Litecoin example earlier -- we want to correct
13 misinformation about XRP. We want to correct
14 misinformation about Ripple. We want to clarify
19:44:32 15 what is XRP and what is Ripple.

16 So certainly since January of 2018, do I
17 think we've tried to drive the conversation? Yes.

18 I interpreted your question to be
19 contemporaneously with this in January of 2018,
19:44:49 20 did we take steps to drive the conversations? And
21 I don't recall three and a half years ago what we
22 may or may not have done.

23 Q. Okay. Let's look at Exhibit 68.

24 (Whereupon, exhibit is received
19:44:59 25 and marked Garlinghouse Deposition

19:44:59 1 Exhibit 68 for identification.)

2 (Pause)

3 THE WITNESS: Okay.

4 BY MR. TENREIRO:

19:45:41 5 Q. What is -- what is this document?

6 A. I believe these are notes to myself.

7 Q. It says "Thoughts for stand-up," the
8 subject does?

9 A. Yes, it does.

19:45:51 10 Q. What is "stand-up"?

11 A. At the beginning of COVID, because
12 everyone was working remotely, we added, I think,
13 two weekly meetings to the leadership team to kind
14 of check base for 15 minutes, I think on
19:46:07 15 Wednesdays and Fridays, that we called stand-up
16 meetings.

17 Q. Okay.

18 A. The idea is if you were the same person,
19 you'd stand up for 15 minutes, obviously via Zoom.

19:46:16 20 Q. On Zoom.

21 A. People may or may not have been standing
22 up.

23 Q. And did you continue to have, like, the
24 periodic all-hands via Zoom after COVID?

19:46:25 25 A. Yes.

19:46:26 1 Q. And were those quarterly? weekly? What
2 were they at that point?

3 A. All-hands were typically quarterly.

4 Q. Even after COVID I mean.

19:46:35 5 A. Yeah.

6 Q. Yeah.

7 Did you record those on Zoom?

8 A. I don't recall.

9 Q. And who would know?

19:46:42 10 A. Same answer as before.

11 Q. The IT team?

12 A. Or Comms.

13 Q. Okay. And in these notes you're talking
14 about "I feel in this trajectory you are going to
19:46:52 15 destroy a lot of value in XRP."

16 Do you see that?

17 A. No, sorry. Point me to that.

18 Q. Towards the bottom.

19 A. Yes, I see that.

19:47:05 20 Q. And that "you" in the sentence is you,
21 Mr. Garlinghouse? You're sort of talking to
22 yourself a little bit?

23 A. No.

24 MR. SOLOMON: Objection; form.

19:47:12 25 Q. Who's the "you"?

19:47:13 1 A. The "you" is me, but these are notes --
2 I mean, obviously, you know, this is just a -- a
3 random screen that I'd opened to take notes.

4 I believe, as I reference later on, [REDACTED]
19:47:23 5 [REDACTED] had called me and on occasion she is -- gives
6 counsel and is strongly opinioned -- or
7 opinionated in those -- she has strong opinions.

8 And so I think I'm taking notes from
9 that phone call that are interlaced with some
19:47:47 10 comments that I intend to make at stand-up.

11 Q. Okay. And did she have strong opinions
12 about, you know, the potential to destroy the
13 value of XRP in around March 2020?

14 A. I -- I --

19:47:58 15 MR. SOLOMON: Objection.

16 A. I don't actually recall precisely, but
17 from these notes, I have a vague recollection of
18 getting a call from [REDACTED] early in the age of COVID
19 that she was very concerned about the macro
19:48:10 20 economy and what was going on, broadly speaking.

21 Q. And here you talk about, a little
22 further up, "protecting the value of XRP by
23 reducing MGI sales."

24 Do you see that?

19:48:23 25 A. Yes.

19:48:24 1 Q. Is MGI MoneyGram?

2 A. Yes.

3 Q. Okay. And --

4 A. I believe so, yes.

19:48:30 5 Q. Okay. And there was a point in time
6 where there was a thing called XRP-O, is that
7 right?

8 A. Yep.

9 Q. Okay. And that was sales of XRP by
19:48:38 10 Ripple?

11 A. Yes.

12 Q. And there came to be a concern that the
13 sales of XRP could hurt the value of XRP?

14 MR. SOLOMON: Objection.

19:48:47 15 A. Yeah, it's confusing because that pre --
16 well, MoneyGram never used XRP-O or what we now
17 call Wallet Send. And I think March of 2020
18 predates the launch of XRP-O or what we now call
19 Wallet Send.

19:49:09 20 So I don't know what I mean by "reducing
21 MGI sales."

22 Q. Okay. After XRP-O launched, was there a
23 concern that the XRP-O sales could hurt the market
24 for XRP?

19:49:27 25 A. Yes. We have always, I think as you're

19:49:30 1 well aware, always had the concern that we don't
2 want to impact the market, the XRP markets. And
3 so to the extent we are introducing XRP to the
4 market at a rate higher than we have historically,
19:49:49 5 that would give us reason to pause and think about
6 should we change our plan?

7 Q. In the notes, you say "Supply and demand
8 equation of XRP is too high versus time frame for
9 real demand."

19:50:04 10 Do you see that?

11 A. That looks like my notes from the call
12 with [REDACTED]

13 Q. What does "real demand" mean?

14 A. I don't know.

19:50:11 15 Q. Okay.

16 MR. CERESNEY: Could we have a
17 time check?

18 THE VIDEOGRAPHER: You've got a
19 few minutes. Two, three minutes.

19:50:17 20 MR. TENREIRO: Okay. I'm almost
21 finished.

22 BY MR. TENREIRO:

23 Q. Mr. Garlinghouse -- we can set that
24 aside -- has -- have you ever heard of something
19:50:26 25 called Form D?

19:50:32 1 A. I -- I don't know for sure.

2 Q. Have you ever heard of something called
3 SEC Form D?

4 A. I believe so, yes.

19:50:37 5 Q. Have you ever filed an SEC Form D with
6 respect to any of your sales of XRP?

7 A. Not of which I'm aware.

8 Q. Have you ever filed a Form D with
9 respect to Ripple's sales of XRP?

19:50:50 10 A. Not of which I'm aware.

11 Q. Have you ever taken any steps to
12 determine whether purchasers of your XRP are
13 accredited investors?

14 A. I don't know who the purchasers of my
19:51:01 15 XRP are.

16 Q. Have you ever taken -- is that a no, is
17 the answer to my question?

18 A. I don't know who the purchasers of my
19 XRP are.

19:51:10 20 Q. So have you ever taken any steps to
21 determine whether they are accredited investors?

22 A. I don't know who the purchasers of my
23 XRP are.

24 Q. Okay. Have you ever taken any steps to
19:51:19 25 determine whether the purchasers of Ripple's XRP

19:51:22 1 are accredited investors?

2 A. Yes.

3 Q. What steps?

4 A. Some of Ripple's XRP has been sold to
19:51:31 5 accredited investors.

6 Q. Are you talking about OTC sales?

7 A. Yes.

8 Q. Have you ever taken any steps to
9 determine whether purchasers of Ripple's XRP and
19:51:42 10 programmatic sales are accredited investors?

11 A. I don't know who the purchasers of
12 Ripple's XRP sales are.

13 Q. With respect to Ripple's OTC sales, has
14 Ripple ever filed a Form D with the SEC?

19:51:57 15 A. Not of which I'm aware.

16 Q. Have you ever sold XRP to investors in
17 the United States?

18 A. Have I personally?

19 Q. Yes.

19:52:08 20 A. Not of which I'm aware.

21 Q. Have you ever sold XRP to persons not in
22 the United States?

23 A. I guess I -- I'm aware that GSR has used
24 exchanges around the world. And so I'm aware that
19:52:24 25 people around the world have purchased XRP by way

19:52:29 1 of GSR.

2 Q. Have you ever instructed GSR to restrict
3 the nationality of the people to whom it sells
4 your XRP?

19:52:37 5 A. Yes.

6 Q. How so?

7 A. I instructed them not to sell on U.S.
8 exchanges.

9 Q. When did you give that instruction?

19:52:51 10 A. August or September 2020, I think.

11 Q. But --

12 A. I don't recall exactly.

13 Q. Okay. Before that had you ever
14 instructed GSR not to sell to U.S. persons?

19:53:03 15 A. I don't believe so.

16 Q. And after that instruction, did you
17 instruct GSR -- did GSR sell only on non-U.S.
18 exchanges?

19 A. I believe so.

19:53:14 20 Q. Okay. Did you take any steps to
21 restrict the resale by those purchasers of your
22 XRP to any purchaser in the United States?

23 A. I don't know who the purchasers of my
24 XRP are.

19:53:29 25 Q. Okay. And have you ever given anything

19:53:34 1 of value of your own assets to anyone to do work
2 on behalf of Ripple?

3 A. Could you be more precise?

4 MR. STU ALDEROTY: Could we have
19:53:44 5 a time check, Andrew?

6 MR. CERESNEY: Yeah.

7 MR. SOLOMON: I think we're over
8 and, frankly, I think you're getting into
9 what the judge precluded you from doing
19:53:51 10 with her order on financial records
11 anyway. But if we're done, we're done,
12 because it's now been 16 hours of under
13 oath testimony of Mr. Garlinghouse.

14 Are we done?

19:53:59 15 THE VIDEOGRAPHER: We're over.

16 MR. SOLOMON: Okay.

17 MR. CERESNEY: We're done.

18 MR. TENREIRO: You're going to
19 stop it? You're not going to let him
19:54:05 20 answer that question?

21 MR. SOLOMON: No.

22 MR. ALDEROTY: No.

23 MR. SOLOMON: No, we're done.

24 THE VIDEOGRAPHER: Okay. Do you
19:54:08 25 have any questions or -- you're done?

19:54:09 1 MR. SOLOMON: I'd like to take a
2 couple minutes.

3 THE VIDEOGRAPHER: All right.
4 Going off the record at 7:55.

19:54:17 5 (Whereupon, a recess is taken.)

6 THE VIDEOGRAPHER: Okay. Back on
7 the record, 8:01.

8 MR. SOLOMON: We have no more --
9 we have no questions for Mr. Garlinghouse.

19:59:59 10 THE VIDEOGRAPHER: All right.
11 This concludes the video deposition of
12 Bradley Garlinghouse. The time is 8:01
13 and still going off the record.

14 (Whereupon, the deposition
20:00:07 15 concluded at 8:01 p.m.)

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1 STATE OF NEW YORK)
2) ss:
3 COUNTY OF NEW YORK)

4 I hereby certify that the witness in the
5 foregoing deposition, BRADLEY KENT GARLINGHOUSE, JR.,
6 was by me duly sworn to testify to the truth, the whole
7 truth and nothing but the truth, in the within-entitled
8 cause; that said deposition was taken at the time and
9 place herein named; and that the deposition is a true
10 record of the witness's testimony as reported by me, a
11 duly certified shorthand reporter and a disinterested
12 person, and was thereafter transcribed into typewriting
13 by computer.

14 I further certify that I am not interested in
15 the outcome of the said action, nor connected with nor
16 related to any of the parties in said action, nor to
17 their respective counsel.

18 IN WITNESS WHEREOF, I have hereunto set my
19 hand this 22nd day of September, 2021.

20 Reading and Signing was:

21 ___ requested ___ waived 'X' not requested.

22
23
24
25



BRIDGET LOMBARDOZZI, CSR, RMR, CRR